

ERAS SENIOR NETWORK, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Totals for the Year Ended December 31, 2021)

ERAS SENIOR NETWORK, INC.

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Independent Auditor's Report

Board of Directors
Eras Senior Network, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Eras Senior Network, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eras Senior Network, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eras Senior Network, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Board of Directors
Eras Senior Network, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Eras Senior Network, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eras Senior Network, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Eras Senior Network, Inc.'s December 31, 2021, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
Eras Senior Network, Inc.

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 financial statements. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is also 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 May 25, 2023, 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 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 25, 2023

ERAS SENIOR NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(With Summarized Totals for December 31, 2021)

ASSETS	2022	2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 506,827	\$ 583,084
Accounts and Grants Receivable	348,050	315,600
Prepaid Expenses	24,785	52,122
Other Current Assets	2,781	2,480
Total Current Assets	\$ 882,443	\$ 953,286
FIXED ASSETS		
Equipment	\$ 367,729	\$ 351,878
Less: Accumulated Depreciation	(274,264)	(244,959)
Net Fixed Assets	\$ 93,465	\$ 106,919
LEASES - RIGHT-OF-USE ASSETS		
Right-of-Use Assets - Finance Leases	\$ 8,453	\$ 11,856
Right-of-Use Assets - Operating Leases	175,660	226,409
Total Leases - Long-term Portion	\$ 184,113	\$ 238,265
OTHER ASSETS		
Intangible Assets, Net of Amortization	\$ 48,917	\$ 67,261
Security Deposit	6,706	6,206
Beneficial Interest - Greater Milwaukee Foundation	144,738	172,079
Beneficial Interest - Waukesha County Community Foundation	58,908	72,709
Total Other Assets	\$ 259,269	\$ 318,255
TOTAL ASSETS	\$ 1,419,290	\$ 1,616,725

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(With Summarized Totals for December 31, 2021)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 41,020	\$ 33,850
Deferred Revenue	2,781	2,480
Accrued Payroll and Payroll Liabilities	77,748	70,420
Finance Lease Liability - Current Portion	3,454	3,319
Operating Lease Liability - Current Portion	37,820	43,560
Total Current Liabilities	<u>\$ 162,823</u>	<u>\$ 153,629</u>
LONG-TERM LIABILITIES		
Finance Lease Liability - Long-Term Portion	\$ 4,069	\$ 7,523
Operating Lease Liability - Long-Term Portion	96,341	134,161
Total Long-Term Liabilities	<u>\$ 100,410</u>	<u>\$ 141,684</u>
Total Liabilities	<u>\$ 263,233</u>	<u>\$ 295,313</u>
NET ASSETS		
Without Donor Restrictions	\$ 764,148	\$ 843,899
With Donor Restrictions	391,909	477,513
Total Net Assets	<u>\$ 1,156,057</u>	<u>\$ 1,321,412</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,419,290</u>	<u>\$ 1,616,725</u>

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Totals for the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 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	42,887	---	42,887	37,887
Older American Act Title IIIB - Waukesha	60,567	---	60,567	61,485
Milwaukee County Department of Aging				
Older American Act Title IIIB - Milwaukee	131,404	---	131,404	131,404
Neighborhood Outreach BCA	118,700	---	118,700	118,700
Neighborhood Outreach SCSP	31,128	---	31,128	31,128
Community Development Block Grant				
Waukesha County	7,000	---	7,000	7,000
Milwaukee County DHHS Housing Division	36,651	---	36,651	35,517
City of Wauwatosa	26,098	---	26,098	30,098
City of West Allis	29,500	---	29,500	29,500
Corporation for National and Community Service, Retired and Senior Volunteer Program	276,477	---	276,477	263,149
FTA Section 5310	259,662	---	259,662	172,249
WI DOT - RTAP	2,337	---	2,337	---
Advancing a Healthier Wisconsin Endowment at the Medical College of Wisconsin	101,255	---	101,255	71,518
Paycheck Protection Program Loan Forgiveness	---	---	---	202,300
EIDL Loan Forgiveness	---	---	---	10,000
Individual Contributions	161,166	---	161,166	178,956
Bequests	10,415	---	10,415	25,585
Corporate Contributions	49,637	---	49,637	147,989
Foundations	166,155	37,980	204,135	173,245
Program Revenue	---	---	---	3,324
Special Events Income	110,523	550	111,073	74,896
Special Events Expense	(33,178)	---	(33,178)	(20,545)
In-Kind	52,436	---	52,436	45,422
United Way of Greater Milwaukee and Waukesha County	126,843	115,855	242,698	259,029
Investment Income (Loss)	3,266	(41,142)	(37,876)	27,793
Interest Income	585	---	585	391
Employee Retention Credit	---	---	---	55,153
Net Assets Released from Restrictions	198,847	(198,847)	---	---
Total Revenue	<u>\$ 1,983,021</u>	<u>\$ (85,604)</u>	<u>\$ 1,897,417</u>	<u>\$ 2,185,833</u>
EXPENSES				
Program Services	\$ 1,735,799	\$ ---	\$ 1,735,799	\$ 1,569,700
Administrative	194,813	---	194,813	209,788
Fundraising	132,160	---	132,160	100,660
Total Expenses	<u>\$ 2,062,772</u>	<u>\$ ---</u>	<u>\$ 2,062,772</u>	<u>\$ 1,880,148</u>
CHANGE IN NET ASSETS	\$ (79,751)	\$ (85,604)	\$ (165,355)	\$ 305,685
Net Assets, Beginning of Year (Restated)	<u>843,899</u>	<u>477,513</u>	<u>1,321,412</u>	<u>1,015,727</u>
NET ASSETS, END OF YEAR	<u>\$ 764,148</u>	<u>\$ 391,909</u>	<u>\$ 1,156,057</u>	<u>\$ 1,321,412</u>

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, 2022
(With Summarized Totals for the Year Ended December 31, 2021)

EXPENSES	Program Services	Administrative	Fundraising	2022 Total	2021 Total
Salaries	\$ 944,387	\$ 116,381	\$ 83,324	\$ 1,144,092	\$ 1,120,736
Payroll Taxes	68,624	13,974	6,209	88,807	88,216
Employee Benefits	68,692	5,956	386	75,034	81,140
Staff Development	1,666	148	307	2,121	864
Professional Fees	141,112	20,271	2,146	163,529	101,819
Occupancy	106,677	7,187	11,175	125,039	119,295
Telephone	18,234	1,980	929	21,143	20,734
Supplies	42,296	2,873	450	45,619	18,217
Purchase/Lease of Equipment	574	4,017	---	4,591	6,385
Printing and Publication	33,430	57	8,477	41,964	42,804
Technology	81,034	8,123	7,042	96,199	65,475
Postage and Shipping	9,653	987	3,348	13,988	21,260
Conferences and Meetings	14,310	156	1,402	15,868	3,453
Insurance	13,943	508	810	15,261	13,427
Travel	13,451	610	643	14,704	2,927
Subscriptions	---	645	261	906	495
Membership Fees	2,680	1,035	575	4,290	3,729
Program Expense	106,359	400	1,128	107,887	86,054
Volunteer Expense	11,477	---	---	11,477	11,925
Volunteer and Staff Appreciation	300	174	---	474	2,083
Interest	---	7,188	---	7,188	---
Depreciation and Amortization	56,445	1,310	2,218	59,973	67,771
Miscellaneous Expenses	455	833	1,330	2,618	1,339
Subtotal	<u>\$ 1,735,799</u>	<u>\$ 194,813</u>	<u>\$ 132,160</u>	<u>\$ 2,062,772</u>	<u>\$ 1,880,148</u>
Special Events					
Supplies	\$ ---	\$ ---	\$ 7,205	\$ 7,205	\$ 1,492
Printing	---	---	5,193	5,193	9,021
Food and Beverage	---	---	10,191	10,191	---
Professional Fees	---	---	9,782	9,782	9,280
Postage	---	---	807	807	752
Total Special Events	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 33,178</u>	<u>\$ 33,178</u>	<u>\$ 20,545</u>
TOTAL EXPENSES	<u><u>\$ 1,735,799</u></u>	<u><u>\$ 194,813</u></u>	<u><u>\$ 165,338</u></u>	<u><u>\$ 2,095,950</u></u>	<u><u>\$ 1,900,693</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, 2022
(With Summarized Totals for the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (165,355)	\$ 305,685
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Amortization - Intangibles	18,344	---
Amortization - Leases	3,403	---
Depreciation	38,227	67,771
Loss on Disposal of Fixed Assets	395	---
Interest on Operating Leases	---	---
Change in Value of Beneficial Interest in Assets Held by Others	41,142	(53,355)
Loan Forgiveness	---	(212,300)
(Increase) Decrease in Prepaid Expenses	27,337	14,567
(Increase) Decrease in Accounts Receivable	(32,450)	319,166
(Increase) Decrease in Other Current Assets	(301)	1,829
(Increase) Decrease in Security Deposits	(500)	---
Increase (Decrease) in Operating Leases	7,189	---
Increase (Decrease) in Accounts Payable	7,170	(82,951)
Increase (Decrease) in Deferred Revenue	301	(1,829)
Increase (Decrease) in Accrued Payroll	7,328	11,262
	<u> </u>	<u> </u>
Net Cash (Used) Provided by Operating Activities	\$ (47,770)	\$ 369,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed and Fixed Assets	\$ (25,168)	\$ (3,640)
	<u> </u>	<u> </u>
Net Cash Used by Investing Activities	\$ (25,168)	\$ (3,640)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Leases	\$ (3,319)	\$ ---
	<u> </u>	<u> </u>
Net Cash Used by Financing Activities	\$ (3,319)	\$ ---
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (76,257)	\$ 366,205
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>583,084</u>	<u>216,879</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 506,827</u></u>	<u><u>\$ 583,084</u></u>

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

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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 \$2,500 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, 2022

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.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE A - Summary of Significant Accounting Policies (continued)

Leases

The Organization recognizes operating and finance leases in accordance with the *FASB Accounting Standards Codification* (ASC) 842. A lease exists when an organization has the right to control the use of property, plant or equipment over a lease term.

The lessee classifies a lease as either a finance or operating lease. The accounting of a finance lease is similar to when an asset is purchased. An operating lease is when the right-of-use of an asset exists over the lease-term, but that the lease doesn't meet the definition of a finance lease.

The Organization has elected to establish a threshold to exclude lease assets and obligations that are immaterial to the financial statements. The Organization recognizes individual lease assets and liabilities when they are greater than \$5,000. However, if the combined lease assets or liabilities for individually insignificant leases are greater than \$10,000 the Organization recognizes the lease assets and obligations.

The Organization has elected not to apply the recognition requirements in ASC 842 to short-term leases (those with a term of 12 or less months) and no expected purchase at the end of the term.

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. 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.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE B - Accounting Standards Changes and Change in Accounting Principles

Accounting Standards Changes

The Organization's financial statements include implementation of the following accounting standards updates:

Accounting Standards Update 2020-07, Not-for-Profit entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This update requires contributed nonfinancial assets to be reported as a separate line in the statement of activities. A financial statement note is 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 in this update are applied on a retrospective basis. The implementation of this standard has not materially affected the financial statements of the Organization.

Accounting Standards Update 2020-08, Codification Improvements to Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs. This update clarifies that an entity should reevaluate whether a callable debt security is within the scope of paragraph 310-20-32-33 for each reporting period. This amendment impacts the effective yield of an existing individual callable debt security. Amendments in this update are applied on a prospective basis as of the beginning of the period of adoption for existing or newly purchased callable debt securities. The implementation of this standard has not materially affected the financial statements of the Organization.

Accounting Standards Update 2016-02, Leases (Topic 842). The FASB also subsequently issued the following additional accounting standards updates which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11 Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2018-01, Leases (Topic 842): Codification Improvements. These updates require the recognition of operating leases as right-of-use assets and lease liabilities on the statement of financial position measured at the present value of lease payments and expenses are recognized on the straight-line basis over the term of the lease. For finance leases (previously reported as capital leases), the lessee will recognize the right-of-use asset and lease liability initially at the present value of lease payments. Interest will be recognized separately from amortization of the leased assets in the statement of activities. The updates require disclosure of key information about the leasing arrangements. The Organization has elected to use the practical expedients for implementation on leases that commenced before the effective date of the new standard. The practical expedients include that the Organization need not reassess 1) whether any expired or existing contracts are or contain leases, 2) the lease classification as operating or finance for expired or existing leases, and 3) initial direct costs for existing leases. In addition, the Organization has the ability to use hindsight in evaluating lessee options to extend or terminate a lease and assess impairment. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE B - Accounting Standards Changes and Change in Accounting Principles (continued)

Accounting Standards Changes (continued)

The adoption of Topic 842 had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of right-of-use assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged.

Change in Accounting Principles

The Organization retrospectively applied the standards to assets and liabilities as of December 31, 2021 and 2022. The restated net assets are presented as of January 1, 2022, the first full year of GAAO financial statements because the prior year is presented in summarized comparative format. The adoption of the standard resulted in an increase in lease right-of-use assets of \$238,265, an increase in lease liabilities of \$188,564 and a restatement of net assets as of January 1, 2022 of \$49,702. Adoption of the new standard did not materially impact the Organization's change in net assets and had no impact on cash flows.

The following details the statement of financial position line items effected as of January 1, 2022:

	<u>As Reported Under 840</u>	<u>As Reported Under 842</u>	<u>Effect of Change</u>
<u>Assets</u>			
Right-of-Use Assets – Operating Leases	\$ ---	\$226,409	\$226,409
Right-of-Use Assets – Finance Leases	\$ ---	\$11,856	\$11,856
<u>Liabilities</u>			
Lease Obligations – Operating Leases	\$ ---	\$177,721	\$177,721
Lease Obligations – Finance Leases	\$ ---	\$10,842	\$10,842
<u>Net Assets</u>			
Net Assets Without Donor Restrictions	\$1,271,710	\$1,312,412	\$49,702

Future Accounting Pronouncement

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2022. 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. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current generally accepted accounting principles 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.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE C - Comparative Financial Information

The financial information shown for 2021 in the accompanying financial statements is included to provide a basis of comparison with 2022 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, 2021, 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 financial assets available to meet cash needs for general expenditure within one year of the statement of financial position date as shown below:

Cash and Cash Equivalents	\$506,827
Accounts and Grants Receivable	348,050
Net Assets with Donor Restrictions	<u>(12,244)</u>
 Total Financial Assets Available	 <u>\$528,633</u>

The Organization manages its liquidity by filing claims for reimbursements under its government contracts on a monthly basis. In addition, as described in Note M, the Organization has a line of credit which could be drawn upon in the event of a liquidity need.

NOTE E - Concentration of Risk

The Organization maintains its cash balance at a financial institution. The Federal Deposit Insurance Corporation (FDIC) insured balance for combined interest and noninterest-bearing accounts is \$250,000 per financial institution. At December 31, 2022, the Organization's total uninsured cash balance totaled \$35,458.

The Organization receives grants from various government agencies whose programs rely on the availability of funding from the United States government. Approximately 55% of the Organization's revenue at December 31, 2022, was from government grants. In addition, the United Way of Greater Milwaukee and Waukesha County provided funding of approximately 13% of the Organization's total revenue.

NOTE F - Related Party

Board members and management employees contributed \$16,631 to the Organization.

**ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE G - Conditional Contributions

The Organization has contracts which include specific use stipulations requiring funds be used only on qualifying expenses determined by the grant contract and allowable cost policies. The Organization will not receive the grant funds unless spent on the required activity and within the allowable cost guidance. As of December 31, 2022, the Organization has the following conditional contributions available for use in future periods:

<u>Source and Program</u>	<u>Funding Available Through</u>	<u>Amount</u>
Corporation for National and Community Service Retired and Senior Volunteer Program	March 31, 2023	\$88,321

NOTE H - Accounts and Grants Receivable

Accounts and grants receivable consists of the following as of December 31, 2022:

<u>Source</u>	<u>Amount</u>
United Way of Greater Milwaukee & Waukesha County	\$115,855
CNCS/AmeriCorps Seniors	23,411
Capri Communities	15,000
CarePlus Dental Plans	250
Waukesha County Department of Health and Human Services: State of WI Section 85.21	25,000
County of Waukesha ADRC	22,972
Ellenbecker Investment Group, Inc.	500
FTA Section 5310 / Milwaukee County DOT	87,685
State of Wisconsin	2,110
ITN America	1,000
MC DHHS Division on Aging	5,666
Advancing a Healthier Wisconsin Endowment at the Medical College of Wisconsin	17,829
Wauwatosa CDBG	1,272
West Allis CDBG	<u>29,500</u>
Total	<u>\$348,050</u>

NOTE I - 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, 2022, was \$203,646.

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, 2022.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE I - Beneficial Interest - Greater Milwaukee Foundation and Waukesha County Community Foundation (continued)

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 J - 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, 2022:

<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	\$144,738	\$ ---	\$ ---	\$144,738
WCCF Investments	<u>58,908</u>	<u>---</u>	<u>---</u>	<u>58,908</u>
Total	<u>\$203,646</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$203,646</u>

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.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE J - Fair Value Measurements (continued)

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, 2022	\$172,079	\$ 72,709	\$244,788
Contributions	---	---	---
Donations	---	---	---
Distributions	---	(3,200)	(3,200)
Total Gains or Losses (Realized/Unrealized), Net of Fees	<u>(27,341)</u>	<u>(10,601)</u>	<u>(37,942)</u>
Ending Balance, December 31, 2022	<u>\$144,738</u>	<u>\$ 58,908</u>	<u>\$203,646</u>

NOTE K - Intangible Assets

Intangible assets of \$48,917 presented on the statement of financial position as of December 31, 2022, 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>\$42,803</u>	<u>\$48,917</u>	5 years

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

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2023	\$18,344
2024	18,344
2025	<u>12,229</u>
Total	<u>\$48,917</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE L - Leasing Activities

The Organization has an operating lease for its offices and financing leases for certain equipment. Leases have remaining lease terms of 1 year to 4 years.

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

	<u>Average</u>
Weighted Average Remaining Lease Term	
Operating Leases	3.25 years
Finance Leases	2.56 years
Weighted Average Discount Rate	
Operating Leases	3.99%
Finance Leases	3.99%

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

<u>Year Ending December 31,</u>	<u>Operating</u>	<u>Finance</u>
2023	\$ 56,761	\$3,684
2024	56,761	2,448
2025	56,761	1,188
2026	14,190	594
Thereafter	---	---
Total Lease Payments	<u>\$184,473</u>	<u>\$7,914</u>
Less: Interest	<u>(50,312)</u>	<u>(391)</u>
Present Value of Lease Liabilities	<u>\$134,161</u>	<u>\$7,523</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2022:

	<u>Amount</u>
Operating lease expense included in management and general expenses	\$7,188
Finance lease costs:	
Amortization of lease assets included in management and general expenses	\$3,403

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE L - Leasing Activities (continued)

The following summarizes cash flow information related to leases for the year ended December 31, 2022

Operating Cash Flows - Cash Paid for Operating Leases	\$49,573
Operating Cash Flows - Cash Paid for Finance Leases	\$365
Financing Cash Flows - Cash Paid for Finance Leases	\$3,319

NOTE M - Line of Credit

The Organization has a \$50,000 revolving line of credit, with an interest rate of 3.75% as of December 31, 2022. The current agreement expires in August 2023. The line of credit did not have a balance at December 31, 2022.

NOTE N - 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, 2022 and 2021, there were no assets or obligations related to revenue from contracts with customers included in deferred revenue. For the year ended December 31, 2022, special event revenue was \$111,073.

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	\$ 2,480
Revenue Recognized From Prior Year Deferred	(2,480)
New Cards Received	38,016
Revenue Recognized on New Cards Received	<u>(35,235)</u>
Ending Deferred Revenue	<u>\$ 2,781</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE O - In-Kind Revenue

The Organization received in-kind revenue, which consisted of the following:

Occupancy	\$ 4,690
Gift Cards	35,235
Advertising	11,171
Miscellaneous Items	<u>1,340</u>
Total	<u>\$52,436</u>

In-kind donations are valued at fair value on the date of donation and are used in the programs, except advertising related to employment of \$885.

NOTE P - Donor Restricted Net Assets

At December 31, 2022, the Organization had donor restricted net assets available for the following:

Milwaukee County Communication, R.A. Stevens Foundation	\$ 22,563
S.T.O.P. Frauds & Scams, Wisconsin Consumer Antifraud Fund	5,440
Events for Seniors	944
Door Dash Meals for Clients	737
United Way Allocation for 2023	115,855
Bader Philanthropies Vehicle Purchase	4,744
Waukesha Service Club	630
Bader Philanthropies ED Search	5,500
Bader Philanthropies 2023 Events	10,000
Forever Friends	1,000
Capri 2023 and 2024 Sponsorships	15,000
Gannett Foundation WE Energies Gift of Energy	5,850
Beneficial Interest:	
Greater Milwaukee Foundation	144,738
Waukesha County Community Foundation	<u>58,908</u>
Total	<u>\$391,909</u>

NOTE Q - 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, 2022, 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.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE R - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2022 through May 25, 2023, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that no subsequent events need to be disclosed.

ERAS SENIOR NETWORK, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Totals for the Year Ended December 31, 2021)

EXPENSES	Program Services						Management and General	Fundraising	2022 Total	2021 Total
	Faith in Action		Mobility Management	Caregiver Connection	RSVP	Total				
	Waukesha County	Milwaukee County								
Salaries	\$ 148,394	\$ 454,635	\$ 189,414	\$ 17,552	\$ 134,392	\$ 944,387	\$ 116,381	\$ 83,324	\$ 1,144,092	\$ 1,120,736
Payroll Taxes	13,092	33,465	11,128	1,296	9,643	68,624	13,974	6,209	88,807	88,216
Employee Benefits	14,875	28,888	12,153	---	12,776	68,692	5,956	386	75,034	81,140
Staff Development	104	307	226	---	1,029	1,666	148	307	2,121	864
Professional Fees	11,904	5,840	17,240	74,644	31,484	141,112	20,271	2,146	163,529	101,819
Occupancy	36,216	38,807	19,466	---	12,188	106,677	7,187	11,175	125,039	119,295
Telephone	3,768	8,806	1,346	603	3,711	18,234	1,980	929	21,143	20,734
Supplies	1,245	3,868	191	1	36,991	42,296	2,873	450	45,619	18,217
Purchase/Lease of Equipment	188	331	55	---	---	574	4,017	---	4,591	6,385
Printing and Publication	13,203	13,497	5,990	191	549	33,430	57	8,477	41,964	42,804
Technology	12,853	21,586	40,373	1,108	5,114	81,034	8,123	7,042	96,199	65,475
Postage and Shipping	3,330	4,864	1,431	---	28	9,653	987	3,348	13,988	21,260
Conferences and Meetings	1,504	3,369	8,083	765	589	14,310	156	1,402	15,868	3,453
Insurance	2,520	6,625	3,904	---	894	13,943	508	810	15,261	13,427
Travel	406	961	10,862	434	788	13,451	610	643	14,704	2,927
Subscriptions	---	---	---	---	---	---	645	261	906	495
Membership Fees	938	463	1,279	---	---	2,680	1,035	575	4,290	3,729
Program Expense	21,241	69,701	15,163	---	254	106,359	400	1,128	107,887	86,054
Volunteer Expense	1,585	4,166	3,960	---	1,766	11,477	---	---	11,477	11,925
Volunteer and Staff Appreciation	---	300	---	---	---	300	174	---	474	2,083
Depreciation and Amortization	6,817	14,476	35,149	3	---	56,445	1,310	2,218	59,973	67,771
Interest	---	---	---	---	---	---	7,188	---	7,188	---
Miscellaneous Expenses	1	454	---	---	---	455	833	1,330	2,618	1,339
TOTAL EXPENSES	\$ 294,184	\$ 715,409	\$ 377,413	\$ 96,597	\$ 252,196	\$ 1,735,799	\$ 194,813	\$ 132,160	\$ 2,062,772	\$ 1,880,148

ERAS SENIOR NETWORK, INC.
SCHEDULE OF MILWAUKEE COUNTY PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Neighborhood Outreach Program				
	Milwaukee County Programs			Other Funding	Total
REVENUE					
Milwaukee County Contracts	\$ 131,404	\$ 118,700	\$ 31,128	\$ ---	\$ 281,232
Other Government Contracts	---	---	---	92,249	92,249
United Way of Greater Milwaukee and Waukesha County	---	---	---	170,648	170,648
Contributions	---	---	---	129,288	129,288
In-Kind Donations	---	---	---	23,177	23,177
Total Revenue	\$ 131,404	\$ 118,700	\$ 31,128	\$ 415,362	\$ 696,594
EXPENSES					
Salaries	\$ 112,174	\$ 99,777	\$ 24,129	\$ 218,555	\$ 454,635
Payroll Taxes	6,919	6,823	1,398	18,325	33,465
Employee Benefits	4,874	5,814	---	18,200	28,888
Staff Development	---	---	---	307	307
Professional Fees	---	---	---	5,840	5,840
Occupancy	7,478	---	5,601	25,728	38,807
Telephone	---	---	---	8,806	8,806
Supplies	---	---	---	3,868	3,868
Purchase/Lease of Equipment	---	---	---	331	331
Printing and Publication	---	---	---	13,497	13,497
Technology	---	6,424	---	15,162	21,586
Postage and Shipping	---	---	---	4,864	4,864
Conferences and Meetings	---	---	---	3,369	3,369
Insurance	---	---	---	6,625	6,625
Travel	---	---	---	961	961
Membership Fees	---	---	---	463	463
Program Expense	---	---	---	69,701	69,701
Volunteer Expense	---	---	---	4,166	4,166
Volunteer and Staff Appreciation	---	---	---	300	300
Depreciation	575	---	---	13,901	14,476
Miscellaneous Expenses	---	---	---	454	454
Total Expenses	\$ 132,020	\$ 118,838	\$ 31,128	\$ 433,423	\$ 715,409
CHANGE IN NET ASSETS	\$ (616)	\$ (138)	\$ ---	\$ (18,061)	\$ (18,815)

ERAS SENIOR NETWORK, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA or State ID Number	Entity Identifying Number	Expenditures
FEDERAL EXPENDITURES			
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants Cluster			
City of Wauwatosa	14.218		\$ 26,098
City of West Allis	14.218		29,500
Waukesha County	14.218	PS21014	7,000
Milwaukee County	14.218		<u>36,651</u>
Total CFDA #14.218 CDBG Entitlement Grants Cluster			<u>\$ 99,249</u>
U.S. Department of Transportation - Federal Transit Administration			
Milwaukee County Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities			
Transit Services Program Cluster, Total U.S. Department of			
Transportation - Federal Transit Administration	20.521		<u>\$ 259,662</u>
U.S. Department of Health and Human Services			
Milwaukee County Department on Aging			
Supportive Services Program - Title III B	93.044		\$ 131,404
Waukesha County Department of Health and Human Services			
Title 3B Supportive Services	93.044		<u>60,567</u>
Total CFDA #93.044 Aging Cluster			<u>\$ 191,971</u>
Corporation for National and Community Service			
Retired and Senior Volunteer Program	94.002	20SRNW1003	
Total CFDA #94.002			<u>\$ 276,477</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 827,359</u></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		\$ 118,700
Senior Community Service Program	435.560330		31,128
Total Milwaukee County Department on Aging			<u>\$ 149,828</u>
Total Wisconsin Department of Health Services			<u>\$ 162,488</u>
Wisconsin Department of Transportation			
Waukesha County Department of Health and Human Services			
County Elderly and Disabled Transportation Assistance	435.560330		<u>\$ 42,887</u>
TOTAL STATE EXPENDITURES			<u><u>\$ 205,375</u></u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

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.

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
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. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated May 25, 2023.

Report on 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 Organization'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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 25, 2023

Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Eras Senior Network, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Eras Senior Network, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Eras Senior Network, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Eras Senior Network, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Eras Senior Network, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Eras Senior Network, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Eras Senior Network, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Eras Senior Network, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Eras Senior Network, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 25, 2023

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Eras Senior Network, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major State Program

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 audit requirements of *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the *State Single Audit Guidelines* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Eras Senior Network, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Eras Senior Network, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Eras Senior Network, Inc.'s state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Eras Senior Network, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Eras Senior Network, Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State Single Audit Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Eras Senior Network, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Eras Senior Network, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Eras Senior Network, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 25, 2023

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 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:

U.S. Department of Health and Human Services
CFDA #93.044 Supportive Services Program – Title III B - Aging Cluster

U.S. Department of Transportation - Federal Transit Administration
CFDA #20.521 New Freedom Program - Transit Services Programs Cluster

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

Auditee qualified as low-risk auditee? No

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)

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
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Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines?	No
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Identification of major state programs, not included under federal programs

Department of Health Services	
ID #435.561	Basic County Allocation
ID #435.56330	Senior Community Service Program

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 IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

SECTION V - OTHER ISSUES

Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?

No

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 *State Single Audit Guidelines*?

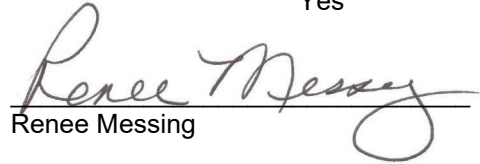
Department of Health Services

No

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

Yes

Name and signature of partner


Renee Messing

Date of report

May 25, 2023