

ERAS SENIOR NETWORK, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

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, 2023, 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, 2023, 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, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, 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 schedule functional expenses and the schedule of Milwaukee County program revenue and expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal and state 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 June 24, 2024, 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
June 24, 2024

ERAS SENIOR NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Summarized Totals for December 31, 2022)

ASSETS

	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 382,877	\$ 506,827
Accounts and Grants Receivable	319,274	348,050
Prepaid Expenses	25,035	24,785
Other Current Assets	4,217	2,781
Total Current Assets	\$ 731,403	\$ 882,443
FIXED ASSETS		
Equipment	\$ 312,845	\$ 367,729
Less: Accumulated Depreciation	(241,463)	(274,264)
Net Fixed Assets	\$ 71,382	\$ 93,465
LEASES - RIGHT-OF-USE ASSETS		
Right-of-Use Assets - Finance Leases	\$ 5,050	\$ 8,453
Right-of-Use Assets - Operating Leases	175,663	175,660
Total Leases	\$ 180,713	\$ 184,113
OTHER ASSETS		
Intangible Assets, Net of Amortization	\$ ---	\$ 48,917
Security Deposit	8,575	6,706
Beneficial Interest - Greater Milwaukee Foundation	158,828	144,738
Beneficial Interest - Waukesha County Community Foundation	66,455	58,908
Total Other Assets	\$ 233,858	\$ 259,269
TOTAL ASSETS	\$ 1,217,356	\$ 1,419,290

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Summarized Totals for December 31, 2022)

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES		
Accounts Payable	\$ 42,588	\$ 41,020
Deferred Revenue	4,217	2,781
Accrued Payroll and Payroll Liabilities	65,569	77,748
Finance Lease Liability - Current Portion	1,203	3,454
Operating Lease Liability - Current Portion	60,089	37,820
Total Current Liabilities	\$ 173,666	\$ 162,823
LONG-TERM LIABILITIES		
Finance Lease Liability - Long-Term Portion	\$ 2,866	\$ 4,069
Operating Lease Liability - Long-Term Portion	88,901	96,341
Total Long-Term Liabilities	\$ 91,767	\$ 100,410
Total Liabilities	\$ 265,433	\$ 263,233
NET ASSETS		
Without Donor Restrictions	\$ 534,489	\$ 764,148
With Donor Restrictions	417,434	391,909
Total Net Assets	\$ 951,923	\$ 1,156,057
TOTAL LIABILITIES AND NET ASSETS	\$ 1,217,356	\$ 1,419,290

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

ERAS SENIOR NETWORK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 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	46,464	---	46,464	42,887
Older American Act Title IIIB - Waukesha	45,522	---	45,522	60,567
Milwaukee County Department of Aging				
Older American Act Title IIIB - Milwaukee	131,405	---	131,405	131,404
Neighborhood Outreach BCA	118,699	---	118,699	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	34,851	---	34,851	36,651
City of Wauwatosa	26,911	---	26,911	26,098
City of West Allis	29,500	---	29,500	29,500
Corporation for National and Community Service, Retired and Senior Volunteer Program	263,175	---	263,175	276,477
FTA Section 5310	221,196	---	221,196	259,662
WI DOT - RTAP	2,111	---	2,111	2,337
Advancing a Healthier Wisconsin Endowment at the Medical College of Wisconsin	126,846	---	126,846	101,255
Individual Contributions	122,919	4,500	127,419	161,166
Bequests	15,083	---	15,083	10,415
Corporate Contributions	43,457	---	43,457	49,637
Foundations	148,872	63,878	212,750	204,135
Special Events Income	76,800	---	76,800	111,073
Special Events Expense	(28,114)	---	(28,114)	(33,178)
In-Kind	43,700	---	43,700	52,436
United Way of Greater Milwaukee and Waukesha County	93,071	91,483	184,554	242,698
Investment Income (Loss)	179	21,638	21,817	(37,876)
Interest Income	873	---	873	585
Net Assets Released from Restrictions	155,974	(155,974)	---	---
Total Revenue	\$ 1,770,282	\$ 25,525	\$ 1,795,807	\$ 1,897,417
EXPENSES				
Program Services	\$ 1,605,361	\$ ---	\$ 1,605,361	\$ 1,735,799
Administrative	243,141	---	243,141	194,813
Fundraising	151,439	---	151,439	132,160
Total Expenses	\$ 1,999,941	\$ ---	\$ 1,999,941	\$ 2,062,772
CHANGE IN NET ASSETS	\$ (229,659)	\$ 25,525	\$ (204,134)	\$ (165,355)
Net Assets, Beginning of Year	764,148	391,909	1,156,057	1,321,412
NET ASSETS, END OF YEAR	\$ 534,489	\$ 417,434	\$ 951,923	\$ 1,156,057

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, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

EXPENSES	Program Services	Administrative	Fundraising	2023 Total	2022 Total
Salaries	\$ 844,538	\$ 127,886	\$ 95,514	\$ 1,067,938	\$ 1,144,092
Payroll Taxes	63,430	11,843	6,716	81,989	88,807
Employee Benefits	79,530	16,816	2,559	98,905	75,034
Staff Development	631	---	87	718	2,121
Professional Fees	148,222	52,427	10,475	211,124	163,530
Occupancy	131,941	7,310	12,852	152,103	125,039
Telephone	7,233	948	525	8,706	21,144
Supplies	3,864	240	724	4,828	45,621
Purchase/Lease of Equipment	8,195	767	451	9,413	4,591
Printing and Publication	22,242	66	7,744	30,052	41,964
Technology	68,019	18,957	7,930	94,906	96,199
Postage and Shipping	8,220	414	1,555	10,189	13,988
Conferences and Meetings	5,999	871	221	7,091	15,867
Insurance	12,511	473	842	13,826	15,261
Travel	19,326	638	649	20,613	14,703
Subscriptions	---	---	---	---	906
Membership Fees	1,826	750	130	2,706	4,289
Program Expense	91,001	63	200	91,264	107,886
Volunteer Expense	4,162	110	---	4,272	11,476
Volunteer and Staff Appreciation	163	130	3	296	474
Interest	---	230	---	230	7,188
Depreciation and Amortization	53,687	1,005	908	55,600	59,974
Loss on Disposal	30,573	18	---	30,591	394
Miscellaneous Expenses	48	1,179	1,354	2,581	2,224
Subtotal	<u>\$ 1,605,361</u>	<u>\$ 243,141</u>	<u>\$ 151,439</u>	<u>\$ 1,999,941</u>	<u>\$ 2,062,772</u>
Special Events					
Supplies	\$ ---	\$ ---	\$ 1,210	\$ 1,210	\$ 7,205
Printing	---	---	13,538	13,538	5,193
Food and Beverage	---	---	3,655	3,655	10,191
Professional Fees	---	---	9,035	9,035	9,782
Postage	---	---	676	676	807
Total Special Events	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 28,114</u>	<u>\$ 28,114</u>	<u>\$ 33,178</u>
TOTAL EXPENSES	<u><u>\$ 1,605,361</u></u>	<u><u>\$ 243,141</u></u>	<u><u>\$ 179,553</u></u>	<u><u>\$ 2,028,055</u></u>	<u><u>\$ 2,095,950</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, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (204,134)	\$ (165,355)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Amortization - Intangibles	18,344	18,344
Amortization - Leases	3,403	3,403
Depreciation	33,852	38,227
Loss on Disposal of Intangible Assets	30,573	---
Loss on Disposal of Fixed Assets	18	395
Interest on Operating Leases	---	---
Change in Value of Beneficial Interest in Assets Held by Others	(21,637)	41,142
(Increase) Decrease in Prepaid Expenses	(250)	27,337
(Increase) Decrease in Accounts Receivable	28,776	(32,450)
(Increase) Decrease in Other Current Assets	(1,436)	(301)
(Increase) Decrease in Security Deposits	(1,869)	(500)
Increase (Decrease) in Operating Leases	14,826	7,189
Increase (Decrease) in Accounts Payable	1,568	7,170
Increase (Decrease) in Deferred Revenue	1,436	301
Increase (Decrease) in Accrued Payroll	(12,179)	7,328
	<u>\$ (108,709)</u>	<u>\$ (47,770)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>\$ (11,787)</u>	<u>\$ (25,168)</u>
	<u>\$ (11,787)</u>	<u>\$ (25,168)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Leases	<u>\$ (3,454)</u>	<u>\$ (3,319)</u>
	<u>\$ (3,454)</u>	<u>\$ (3,319)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (123,950)	\$ (76,257)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>506,827</u>	<u>583,084</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 382,877</u>	<u>\$ 506,827</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid - Finance Leases	\$ 230	\$ 364
Right-of-Use Asset - Operating Leases Received in Exchange for Liabilities	\$ 62,925	\$ ---

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

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023, 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, 2023

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, 2023

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, 2023

NOTE B - Accounting Standards Changes and Change in Accounting Principles

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 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 2022 in the accompanying financial statements is included to provide a basis of comparison with 2023 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, 2022, 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	\$382,877
Accounts and Grants Receivable	319,794
Less Amounts Subject to Donor Restriction	<u>(97,759)</u>
Total Financial Assets Available	<u>\$604,812</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 one 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, 2023, the Organization's total uninsured cash balance totaled \$88,968.

The Organization receives grants from various government agencies whose programs rely on the availability of funding from the United States government. Approximately 54% of the Organization's revenue at December 31, 2023, was from government grants. In addition, the United Way of Greater Milwaukee and Waukesha County provided funding of approximately 10% of the Organization's total revenue.

**ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE F - Related Party

Board members and management employees contributed \$9,764 to the Organization.

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, 2023, the Organization has a conditional contribution available for use in future periods from the Corporation for National and Community Service - Retired and Senior Volunteer Program of \$75,233, which is available through March 31, 2024.

NOTE H - Accounts and Grants Receivable

Accounts and grants receivable consists of the following as of December 31, 2023:

<u>Source</u>	<u>Amount</u>
United Way of Greater Milwaukee & Waukesha County	\$86,890
CNCS/AmeriCorps Seniors	17,264
Capri Communities	7,500
Bader Philanthropies	55,000
R&R Insurance Service	350
Waukesha County Department of Health and Human Services: State of WI Section 85.21	25,000
County of Waukesha ADRC	16,618
FTA Section 5310 / Milwaukee County DOT	48,969
State of Wisconsin	2,110
ITN America	1,595
MC DHHS Division on Aging	19,843
Advancing a Healthier Wisconsin Endowment at the Medical College of Wisconsin	36,329
West Allis CDBG	<u>1,806</u>
Total	<u>\$319,274</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, 2023, was \$225,283.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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, 2023.

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, 2023:

<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	\$158,828	\$ ---	\$ ---	\$158,828
WCCF Investments	<u>66,455</u>	<u>---</u>	<u>---</u>	<u>66,455</u>
Total	<u>\$225,283</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$225,283</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, 2023

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, 2023	\$144,738	\$ 58,908	\$203,646
Contributions	---	---	---
Donations	---	103	103
Distributions	---	---	---
Total Gains or Losses (Realized/Unrealized), Net of Fees	<u>14,090</u>	<u>7,444</u>	<u>21,534</u>
Ending Balance, December 31, 2023	<u>\$158,828</u>	<u>\$ 66,455</u>	<u>\$225,283</u>

NOTE K - Leasing Activities

The Organization has operating leases for its office space and financing leases for certain equipment. Leases have remaining lease terms of 1 year to 3 years. The Organization uses the risk-free interest rate to discount operating leases for office space.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

	<u>Average</u>
Weighted Average Remaining Lease Term	
Operating Leases	2.34 years
Finance Leases	1.93 years
Weighted Average Discount Rate	
Operating Leases	5.64%
Finance Leases	3.99%

The maturities of lease liabilities as of December 31, 2023 were as follows:

<u>Year Ending December 31,</u>	<u>Operating</u>	<u>Finance</u>
2024	\$ 79,592	\$2,448
2025	80,277	1,188
2026	<u>26,152</u>	<u>594</u>
Total Lease Payments	\$186,021	\$4,230
Less: Interest	<u>(37,031)</u>	<u>(161)</u>
Present Value of Lease Liabilities	<u>\$148,990</u>	<u>\$4,069</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE K - Leasing Activities (continued)

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2023:

	<u>Amount</u>
Operating lease expense included in functional expense:	
Management and general	\$12,851
Fundraising	\$ 7,221
Program expenses	\$92,824
Finance lease costs amortization of lease assets included in functional expense:	
Management and general	\$ 343
Fundraising	\$ 191
Program expenses	\$2,870

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

Operating Cash Flows - Cash Paid for Operating Leases	\$55,441
Operating Cash Flows - Cash Paid for Finance Leases - Interest	\$230
Financing Cash Flows - Cash Paid for Finance Leases	\$3,454
Right-of-Use Assets – Operating Leases – Received in Exchange For Liabilities	\$62,925

NOTE L - Line of Credit

The Organization has a \$100,000 revolving line of credit, with an interest rate of 8.5% as of December 31, 2023. The agreement expires in August 2024. The line of credit did not have a balance at December 31, 2023.

NOTE M - 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, 2023 and 2022, there were no assets or obligations related to revenue from contracts with customers included in deferred revenue. For the year ended December 31, 2023, special event revenue was \$76,800.

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE M - Revenue From Contracts with Customers (continued)

In-Kind Gift Cards

During the year, the Organization receives donated gift cards from various businesses and individuals. Gift cards received 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	\$ 2,781
Revenue Recognized From Prior Year Deferred	(2,781)
New Cards Received	30,448
Revenue Recognized on New Cards Received	<u>(26,231)</u>
Ending Deferred Revenue	<u>\$ 4,217</u>

NOTE N - In-Kind Revenue

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

Occupancy	\$ 5,065
Gift Cards & Stamps	26,231
Software and Licensing	5,356
Food and Drink	548
Furniture	<u>6,500</u>
Total	<u>\$43,700</u>

In-kind donations are valued at fair value on the date of donation based on values provided by the donor. They are used in the programs, except for the furniture which is used for programs and administration.

NOTE O - Donor Restricted Net Assets

At December 31, 2023, the Organization had donor restricted net assets available for the following:

Milwaukee County Communication, R.A. Stevens Foundation	\$ 18,918
S.T.O.P. Frauds & Scams, Wisconsin Consumer Antifraud Fund	4,602
Events for Seniors	944
Door Dash Meals for Clients	325
United Way Allocation for 2024	86,892
Bader Philanthropies Harambee Outreach	63,879
Waukesha Service Club	3,500
United Way Helping Kids Succeed	4,591
Capri 2024 Sponsorship	7,500
Emergency Cab Transportation	1,000
Beneficial Interest:	
Greater Milwaukee Foundation	158,828
Waukesha County Community Foundation	<u>66,455</u>
Total	<u>\$417,434</u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE P - 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, 2023, 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 Q - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2023 through June 24, 2024, 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, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

EXPENSES	Program Services						Management and General	Fundraising	2023 Total	2022 Total
	Faith in Action		Mobility Management	Caregiver Connection	RSVP	Total				
	Waukesha County	Milwaukee County								
Salaries	\$ 138,469	\$ 429,275	\$ 128,879	\$ 5,682	\$ 142,233	\$ 844,538	\$ 127,886	\$ 95,514	\$ 1,067,938	\$ 1,144,092
Payroll Taxes	9,997	32,206	10,038	409	10,780	63,430	11,843	6,716	81,989	88,807
Employee Benefits	18,268	27,673	10,845	---	22,744	79,530	16,816	2,559	98,905	75,034
Staff Development	132	499	---	---	---	631	---	87	718	2,121
Professional Fees	4,444	28,307	11,282	100,602	3,587	148,222	52,427	10,475	211,124	163,530
Occupancy	50,392	35,197	21,010	---	25,342	131,941	7,310	12,852	152,103	125,039
Telephone	1,548	3,707	435	---	1,543	7,233	948	525	8,706	21,144
Supplies	2,208	1,437	219	---	---	3,864	240	724	4,828	45,621
Purchase/Lease of Equipment	955	1,798	1,092	---	4,350	8,195	767	451	9,413	4,591
Printing and Publication	6,672	10,061	2,984	719	1,806	22,242	66	7,744	30,052	41,964
Technology	12,829	17,427	21,528	322	15,913	68,019	18,957	7,930	94,906	96,199
Postage and Shipping	2,679	4,387	536	---	618	8,220	414	1,555	10,189	13,988
Conferences and Meetings	986	811	872	3,330	---	5,999	871	221	7,091	15,867
Insurance	3,644	5,895	2,972	---	---	12,511	473	842	13,826	15,261
Travel	667	1,492	5,143	9,865	2,159	19,326	638	649	20,613	14,703
Subscriptions	---	---	---	---	---	---	---	---	---	906
Membership Fees	936	265	350	150	125	1,826	750	130	2,706	4,289
Program Expense	14,849	69,706	5,603	---	843	91,001	63	200	91,264	107,886
Volunteer Expense	1,501	976	21	---	1,664	4,162	110	---	4,272	11,476
Volunteer and Staff Appreciation	133	30	---	---	---	163	130	3	296	474
Depreciation and Amortization	9,012	10,170	34,505	---	---	53,687	1,005	908	55,600	59,974
Interest	---	---	---	---	---	---	230	---	230	7,188
Loss on Disposal	---	---	30,573	---	---	30,573	18	---	30,591	397
Miscellaneous Expenses	5	43	---	---	---	48	1,179	1,354	2,581	2,227
TOTAL EXPENSES	\$ 280,326	\$ 681,362	\$ 288,887	\$ 121,079	\$ 233,707	\$ 1,605,361	\$ 243,141	\$ 151,439	\$ 1,999,941	\$ 2,062,778

ERAS SENIOR NETWORK, INC.
SCHEDULE OF MILWAUKEE COUNTY PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	HOME Chore	Volunteer Driver	Other Funding	Total
REVENUE				
Milwaukee County Contracts	\$ 101,232	\$ 180,000	\$ ---	\$ 281,232
Other Government Contracts	---	---	91,262	91,262
United Way of Greater Milwaukee and Waukesha County	---	---	127,979	127,979
Contributions	---	---	206,784	206,784
In-Kind Donations	---	---	23,476	23,476
Total Revenue	<u>\$ 101,232</u>	<u>\$ 180,000</u>	<u>\$ 449,501</u>	<u>\$ 730,733</u>
EXPENSES				
Salaries	\$ 74,406	\$ 145,886	\$ 208,983	\$ 429,275
Payroll Taxes	5,302	9,729	17,175	32,206
Employee Benefits	569	5,474	21,630	27,673
Staff Development	---	---	499	499
Professional Fees	9,639	8,295	10,373	28,307
Occupancy	6,780	8,661	19,756	35,197
Telephone	916	165	2,626	3,707
Supplies	---	---	1,437	1,437
Purchase/Lease of Equipment	---	---	1,798	1,798
Printing and Publication	---	---	10,061	10,061
Technology	2,676	1,790	12,961	17,427
Postage and Shipping	---	---	4,387	4,387
Conferences and Meetings	---	---	811	811
Insurance	---	---	5,895	5,895
Travel	944	---	548	1,492
Membership Fees	---	---	265	265
Program Expense	---	---	69,706	69,706
Volunteer Expense	---	---	976	976
Volunteer and Staff Appreciation	---	---	30	30
Depreciation	---	---	10,170	10,170
Miscellaneous Expenses	---	---	43	43
Total Expenses	<u>\$ 101,232</u>	<u>\$ 180,000</u>	<u>\$ 400,130</u>	<u>\$ 681,362</u>
CHANGE IN NET ASSETS	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 49,371</u>	<u>\$ 49,371</u>

ERAS SENIOR NETWORK, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing or State ID Number</u>	<u>Entity Identifying Number</u>	<u>Expenditures</u>
FEDERAL EXPENDITURES			
U.S. Department of Housing and Urban Development Community Development Block Grants/Entitlement Grants Cluster			
City of Wauwatosa	14.218		\$ 26,911
City of West Allis	14.218		29,500
Waukesha County	14.218	PS21014	7,000
Milwaukee County	14.218		<u>34,851</u>
Total Assistance Listing #14.218 CDBG Entitlement Grants Cluster			<u>\$ 98,262</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>\$ 221,196</u>
U.S. Department of Health and Human Services Milwaukee County Department on Aging Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		\$ 131,405
Waukesha County Department of Health and Human Services Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		<u>45,522</u>
Total Assistance Listing #93.044 Aging Cluster			<u>\$ 176,927</u>
Corporation for National and Community Service Retired and Senior Volunteer Program Total Assistance Listing #94.002	94.002	20SRNWI003	<u>\$ 263,175</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 759,560</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		\$ 118,699
Senior Community Service Program	435.560330		31,128
Total Milwaukee County Department on Aging			<u>\$ 149,827</u>
Total Wisconsin Department of Health Services			<u>\$ 162,487</u>
Wisconsin Department of Transportation Waukesha County Department of Health and Human Services County Elderly and Disabled Transportation Assistance	435.560330		<u>\$ 46,464</u>
TOTAL STATE EXPENDITURES			<u><u>\$ 208,951</u></u>

ERAS SENIOR NETWORK, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023, 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 June 24, 2024.

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
June 24, 2024

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, 2023. 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, 2023.

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
June 24, 2024

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, 2023. 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, 2023.

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
June 24, 2024

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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:

U.S. Department of Health and Human Services
 93.044 Special Programs for the Aging, Title III, Part B, Grants for
 Supportive Services and Senior Centers
 Corporation for National and Community Service
 94.002 Retired and Senior Volunteer Program

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, 2023**

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

Wisconsin Department of Health Services
435.561 Basic County Allocation
435.560330 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 - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

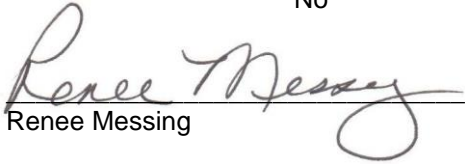
SECTION V - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

**ERAS SENIOR NETWORK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

SECTION VI - OTHER ISSUES

- | | |
|---|--|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e., material noncompliance, 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 |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |
| 4. Name and signature of partner | 
Renee Messing |
| 5. Date of report | June 24, 2024 |