

May 27, 2020

To the Board of Directors
Eras Senior Network, Inc.

We have audited the financial statements of Eras Senior Network, Inc. for the year ended December 31, 2019, and have issued our report thereon dated May 27, 2020. Professional standards require that we provide you with the information about our responsibilities under *Generally Accepted Auditing Standards* and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 25, 2020.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Eras Senior Network, Inc. are described in Note A to the financial statements. The Organization's financial statements include implementation of *Accounting Standards Update 2014-09, Revenues from Contracts with Customers (Topic 606)*, effective for years beginning after December 15, 2018. This new revenue recognition standard affects all entities, including public, private, and non-profit entities, that have contracts with customers, except where other specific guidance is issued by the Financial Accounting Standards Board. The standard eliminates transaction and industry specific guidance and replaces it with a principles-based approach for determining an entity's revenue recognition policies. The core principle of the standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization has also implemented *Accounting Standards Update 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* effective for years beginning after December 15, 2018. This standard clarifies the definition of exchange transactions and contributions and provides additional guidance on evaluating if a contribution is considered conditional.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the expense allocation to program, management and fundraising on the statement of functional expenses is based on management's estimate of costs attributable to each function or program.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The misstatements detected as a result of audit procedures and corrected by management that were material, either individually or in the aggregate, to the financial statements taken as a whole were:

- Decrease accrued payroll and expenses - \$5,510
- Record depreciation expense - \$61,072

Significant or material journal entries provided by you after the onset of audit fieldwork or proposed to you include the following:

- Record transactions in beneficial interest accounts - \$18,172

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 27, 2020.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Eras Senior Network, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Ritz Holman LLP". The signature is written in a cursive, flowing style.

RITZ HOLMAN LLP
Certified Public Accountants