

Kenosha Area Family and Aging Services, Inc.
Audited Financial Statements
with
Independent Auditor's Report
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

Kenosha Area Family and Aging Services, Inc.

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October 19, 2023

To the Board of Directors
Kenosha Area Family and Aging Services, Inc.
Kenosha, Wisconsin

Independent Auditor's Report

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Kenosha Area Family and Aging Services, Inc. (a Not-for-Profit Organization), which comprise the Statement of Financial Position as of December 31, 2022, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kenosha Area Family and Aging Services, 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 further required to be independent of Kenosha Area Family and Aging Services, 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 these 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 Kenosha Area Family and Aging Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 Kenosha Area Family and Aging Services, 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 Kenosha Area Family and Aging Services, 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 the Kenosha Area Family and Aging Services, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 15, 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.

Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements of Kenosha Area Family and Aging Services, Inc., taken as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by The Uniform Guidance and is not a required part of the financial statements. The accompanying Schedule of Revenue and Expenses, by Program, and Supporting Activities Expenses and Schedule of Revenue and Expenses, by Program—Family Services are presented for purposes of additional analysis and are 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, on our consideration of Kenosha Area Family and Aging Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Kenosha Area Family and Aging Services, Inc.'s internal control over financial reporting and compliance.



Gordon J. Maier & Company, LLP
Certified Public Accountants

Kenosha Area Family and Aging Services, Inc.
Statement of Financial Position
December 31, 2022
With Summarized Financial Information
December 31, 2021

Assets	2022	2021
Current Assets		
Cash and Cash Equivalents	\$ 199,500	\$ 491,221
Accounts Receivable (Note 1)		
Kenosha Co. Dept. of Children and Family Services	30,536	27,000
Kenosha Co. Div. of Aging and Disability Services	309,608	223,816
Client Payment	51,743	90,034
Other Receivables	53,575	40,169
Prepaid Expenses	-	315
Prepaid Insurance	7,611	5,421
Prepaid Rent	125	125
Total Current Assets	<u>652,698</u>	<u>878,101</u>
Property and Equipment (Note 1)		
Building and Building Improvements	377,905	377,905
Furniture and Fixtures	103,143	87,530
Land	33,500	33,500
	<u>514,548</u>	<u>498,935</u>
Less: Accumulated Depreciation	<u>375,613</u>	<u>361,215</u>
Net Property and Equipment	<u>138,935</u>	<u>137,720</u>
Other Assets		
Beneficial Interest in Assets Held by the Kenosha Community Foundation (Note 4)	132,330	160,911
Total Other Assets	<u>132,330</u>	<u>160,911</u>
Total Assets	<u>\$ 923,963</u>	<u>\$ 1,176,732</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 55,955	\$ 55,387
Accrued Wages	48,043	39,219
Vacation and Sick	14,869	74,518
Employee Benefits and Payroll Taxes	134,728	16,080
Total Current Liabilities	<u>253,595</u>	<u>185,204</u>
Net Assets		
Without Donor Restrictions		
Undesignated	527,104	833,407
Board Designated (Note 4)	100,000	100,000
With Donor Restrictions	43,264	58,121
Total Net Assets	<u>670,368</u>	<u>991,528</u>
Total Liabilities and Net Assets	<u>\$ 923,963</u>	<u>\$ 1,176,732</u>

The Accompanying Notes are an integral part of these Financial Statements

Kenosha Area Family and Aging Services, Inc.
Statement of Activities
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
Public Support and Revenue				
Government Support				
Kenosha County Department of Children and Family Services	\$ 503,619	\$ -	\$ 503,619	\$ 574,946
Kenosha County Division of Aging and Disability Services	2,285,981	-	2,285,981	2,128,757
Community and Family Care	85,486	-	85,486	63,723
IRIS	5,579	-	5,579	9,251
Corporation for National Services	9,460	-	9,460	68,500
Wisconsin Department of Health and Family Services—R.S.V.P.	55,946	-	55,946	10,326
Community Development Block Grant	-	-	-	3,994
Community Support			-	
Contributions	73,621	42,745	116,366	136,460
In-Kind Donations	2,650	-	2,650	2,100
United Way of Kenosha County, Inc.	-	11,371	11,371	11,720
Special Events	20,250	-	20,250	17,519
Revenue			-	
Client Program Contribution Revenue	81,562	-	81,562	74,829
Client Payments	142,878	-	142,878	94,465
Miscellaneous Income	8,585	-	8,585	33,485
Investment Income	(26,505)	-	(26,505)	19,950
Total Public Support and Revenue	<u>3,249,112</u>	<u>54,116</u>	<u>3,303,228</u>	<u>3,250,025</u>
Net Assets Released from Restrictions	<u>68,973</u>	<u>(68,973)</u>	<u>-</u>	<u>-</u>

The Accompanying Notes are an integral part of these Financial Statements

Kenosha Area Family and Aging Services, Inc.
Statement of Activities
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
Expenses				
Program Services				
Information, Assistance, and Access	1,422,714	-	1,422,714	1,331,034
R.S.V.P.	95,361	-	95,361	87,829
Meals on Wheels	865,042	-	865,042	757,882
Adult Nutrition	96,689	-	96,689	4,224
Volunteer Transportation	133,154	-	133,154	133,071
Foster Grandparent	144,087	-	144,087	57,498
Community Care Corps	107,361	-	107,361	16,265
Grocery Shopping	47,923	-	47,923	30,997
Music and Memory	6,123	-	6,123	7,521
Stepping On	7,277	-	7,277	6,720
Friendly Visitor	116,443	-	116,443	101,178
Family Services	535,646	-	535,646	537,689
Just Response	20,772	-	20,772	-
Total Program Services	<u>3,598,592</u>	-	<u>3,598,592</u>	<u>3,071,908</u>
			-	
Supporting Activities				
Management and General	(25,506)	-	(25,506)	62,937
Fundraising	51,302	-	51,302	40,439
Total Supporting Activities	<u>25,796</u>	-	<u>25,796</u>	<u>103,376</u>
			-	
Total Expenses	<u>3,624,388</u>	-	<u>3,624,388</u>	<u>3,175,284</u>
			-	
Change in Net Assets	(306,303)	(14,857)	(321,160)	74,741
			-	
Net Assets—January 1,	<u>933,407</u>	<u>58,121</u>	<u>991,528</u>	<u>916,787</u>
			-	
Net Assets—December 31,	<u><u>627,104</u></u>	<u><u>43,264</u></u>	<u><u>670,368</u></u>	<u><u>991,528</u></u>

The Accompanying Notes are an integral part of these Financial Statements

Kenosha Area Family and Aging Services, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

Cash Flows from Operating Activities	2022	2021
Changes in Net Assets	\$ (321,160)	\$ 74,741
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	14,398	17,817
Changes in Value of Investments	28,581	(18,315)
(Increase) Decrease in Operating Assets		
Accounts Receivable	(64,443)	(72,441)
Prepaid Insurance and Expenses	(1,875)	4,165
Increase (Decrease) in Operating Liabilities		
Accounts Payable	568	22,517
Accrued Vacation and Sick	(59,649)	74,119
Accrued Salaries	8,824	10,314
Accrued Employee Benefits and Taxes	118,648	(26,056)
Total Adjustments	<u>45,052</u>	<u>12,120</u>
Net Cash Provided by (Used in) Operating Activities	<u>(276,108)</u>	<u>86,861</u>
Cash Flows from Investing Activities		
Purchase of Equipment	(15,613)	(7,238)
Forgiveness of Loans	-	(39,024)
Proceeds from Loans	-	-
Net Cash Provided by (Used in) Investing Activities	<u>(15,613)</u>	<u>(46,262)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(291,721)	40,599
Cash and Cash Equivalents—January 1,	<u>491,221</u>	<u>450,622</u>
Cash and Cash Equivalents—December 31,	<u>\$ 199,500</u>	<u>\$ 491,221</u>

The Accompanying Notes are an integral part of these Financial Statements

Kenosha Area Family and Aging Services, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

	Information, Assistance, and Access	R.S.V.P	Meals on Wheels	Adult Nutrition	Volunteer Transportation	Foster Grandparent	Community Care Corps	Grocery Shopping	Music and Memory	Stepping On	Friendly Visitor
Operating Expenses											
Salaries	1,104,943	60,344	225,239	65,066	68,952	81,845	36,286	15,269	3,840	4,404	78,265
Payroll Taxes	83,955	4,793	17,696	4,875	5,648	6,221	3,109	1,251	210	319	6,086
Employee Benefits	179,528	6,359	29,435	5,381	4,374	13,233	1,097	706	742	1,887	10,738
Professional Fees	20,258	1,136	6,828	2,489	2,198	1,546	1,344	345	567	45	1,679
Food Costs	-	-	515,623	-	-	-	-	-	-	-	-
Site Supplies	150	176	15,477	4,740	334	183	6,098	24,620	12	11	114
Telephone	609	107	4,674	62	903	473	1,107	415	19	17	5,460
Postage and Delivery	-	94	2,199	90	247	2,649	-	-	-	-	133
Site Rent	-	-	1,401	6,114	-	-	-	-	-	-	-
Supplies	12,780	1,544	3,745	88	135	68	39,914	518	10	34	866
Utilities	-	774	4,180	532	1,362	1,119	567	369	130	118	1,552
Computer, Copier, and Equipment											-
Maintenance and Rental	94	7,816	13,751	2,709	11,125	2,260	7,679	1,494	283	290	2,931
Repairs and Maintenance	-	332	3,246	612	538	506	171	160	50	26	538
Subscriptions, Publications, and Dues	-	305	96	-	795	25	17	9	3	4	23
Travel Expense	4,382	166	2,400	890	26,774	2,151	822	2,456	-	8	118
Conferences and Training	3,776	2,752	3,944	45	186	1,218	5,375	-	-	-	430
Insurance	12,239	2,526	5,700	268	1,695	921	479	299	108	111	1,506
Client Support	-	-	3,029	-	-	36	-	-	-	-	-
Volunteer Recognition	-	4,992	-	-	1,699	1,501	-	-	-	-	-
Advertising	-	369	2,578	-	4,983	4,677	3,296	12	4	3	35
Bad Debt Expense	-	-	454	-	49	-	-	-	-	-	5,230
In-Kind Donated Expense	-	-	-	2,728	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	23,455	-	-	-	-	-
Depreciation Expense	-	776	3,347	-	1,157	-	-	-	145	-	739
Total Expenses	1,422,714	95,361	865,042	96,689	133,154	144,087	107,361	47,923	6,123	7,277	116,443

Kenosha Area Family and Aging Services, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

	Family Services	Just Response	Total Program Services	Management and General	Fundraising	Total Supporting Services	2022 Total	2021 Total
Operating Expenses								
Salaries	362,521	-	2,106,974	(12,475)	18,917	6,442	2,113,416	1,990,958
Payroll Taxes	28,217	-	162,380	(830)	1,473	643	163,023	144,354
Employee Benefits	56,738	-	310,218	(5,275)	1,735	(3,540)	306,678	340,562
Professional Fees	9,750	20,772	68,957	(849)	17,211	16,362	85,319	55,759
Food Costs	-	-	515,623	-	-	-	515,623	363,398
Site Supplies	2,900	-	54,815	(379)	1,158	779	55,594	32,490
Telephone	4,069	-	17,915	(584)	147	(437)	17,478	21,079
Postage and Delivery	192	-	5,604	(30)	662	632	6,236	4,284
Site Rent	-	-	7,515	-	-	-	7,515	8,620
Supplies	854	-	60,556	(375)	489	114	60,670	23,854
Utilities	6,895	-	17,598	(105)	185	80	17,678	15,667
Computer, Copier, and Equipment						-	-	-
Maintenance and Rental	13,023	-	63,455	(926)	1,542	616	64,071	47,137
Repairs and Maintenance	4,223	-	10,402	(243)	84	(159)	10,243	6,807
Subscriptions, Publications, and Dues	687	-	1,964	(49)	1,933	1,884	3,848	1,948
Travel Expense	5,479	-	45,646	(197)	-	(197)	45,449	28,295
Conferences and Training	1,432	-	19,158	(893)	-	(893)	18,265	10,362
Insurance	5,560	-	31,412	(2,084)	167	(1,917)	29,495	18,055
Client Support	25,131	-	28,196	(6)	2,092	2,086	30,282	5,794
Volunteer Recognition	-	-	8,192	(3)	1,223	1,220	9,412	4,941
Advertising	235	-	16,192	24	506	530	16,722	4,765
Bad Debt Expense	-	-	5,733	-	-	-	5,733	2,075
In-Kind Donated Expense	2,467	-	5,195	-	211	211	5,406	2,100
Other Expenses	-	-	23,455	7	1,188	1,195	24,650	24,163
Depreciation Expense	5,273	-	11,437	(234)	379	145	11,582	17,817
Total Expenses	535,646	20,772	3,598,592	(25,506)	51,302	25,796	3,624,388	3,175,284

The Accompanying Notes are an integral part of these Financial Statements

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

Organization

The Kenosha Area Family and Aging Services, Inc. (Organization) was established in 1969 to serve residents of Kenosha County, Wisconsin. The Organization's mission is to support the development of healthy families and prevent the abuse and neglect of children and the elderly by providing services such as home delivered meals, congregate meals, transportation, friendly visitors, group respite care, benefit assistance information and assistance, outreach, parenting training and classes, and volunteer management. The Organization is exempt from Federal income taxes under its present method of operation provided for in Section 501(c)(3) of the Internal Revenue Code. Having qualified for exemption under provisions of the Internal Revenue Code, the Organization is also exempt from Wisconsin income taxes as provided in Chapter 181 of the Wisconsin Statutes. The Organization's revenue comes primarily from state, local, and federal government grants.

Basis of Accounting

The financial statements of Kenosha Area Family and Aging Services, Inc., have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the standards of FASB ASC 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions—Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions—Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization and/or the passage of time.

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Restricted contributions received are considered net assets with donor restrictions until expenses are incurred in compliance with the donor's restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (cont.)

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,500 and all costs for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment purchases are stated at cost, while donated items are capitalized at fair value at date of donation.

Depreciation is provided on the straight-line method over the estimated useful lives of the related assets, which range between seven and thirty-five years.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers cash and cash equivalents as currency on hand, demand deposits, savings, and money market accounts with banks or other financial institutions that have original maturities of less than three months.

Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958, *Not-for-Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The value of donated printing, electrical, accounting, and auditing services included as contributions in the financial statements for the years ended December 31, 2022 and 2021, was \$2,650 and \$2,100, respectively. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, such as driving clients, driving for Meals on Wheels, and visiting clients, that are not recognized in the financial statements since they did not meet the criteria for recognition under FASB ASC 958, *Not-for-Profit Entities*.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note I. Summary of Significant Accounting Policies (cont.)

Receivable

Management periodically reviews and evaluates outstanding accounts receivable. Accounts receivable that are deemed uncollectible are charged to bad debt expense. Management deemed no allowance for doubtful accounts to be required.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time studies. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

The Organization has adopted accounting for uncertainty income taxes guidance FASB ASC 740, *Income Taxes*. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in law, and new authoritative rulings. As of December 31, 2022, management believes all tax-related expenses and benefits have been recognized. As of December 31, 2022, and 2021, the Organization has no accrued interest or penalties associated with uncertain tax positions. The Organization files a federal information return in the United States jurisdiction and a state information return in state jurisdiction. The Organization is no longer subject to income tax examinations for years prior to 2019.

Concentration of Risks

Cash and Cash Equivalents

The Organization maintains its cash accounts at three banks in Kenosha, Wisconsin. The Federal Deposit Insurance Corporation (FDIC) guarantees accounts up to \$250,000. As of December 31, 2022 and 2021, the Organization had \$289,194 and \$491,208, respectively, on deposit, of which \$5,585 and \$136,908 was not insured by the FDIC.

Revenue/Receivable

The Organization received approximately 84.19% of its funding from Kenosha County during the year ended December 31, 2022, and approximately 65.97% from Kenosha County during the year ended December 31, 2021. As of December 31, 2022 and 2021, 100% of the accounts receivable balance was from two funding sources and was collected 100% shortly after year end.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 2. Beneficial Interest in Assets Held by the Kenosha Community Foundation

The Organization established the Kenosha Area Family and Aging Services, Inc.'s Meals on Wheels Endowment Fund at the Kenosha Community Foundation. The fund was established to support the designated purposes of Kenosha Area Family and Aging Services, Inc. Investment income of the fund is distributed to Kenosha Area Family and Aging Services, Inc., in such amounts and at such times as its Board of Directors, or their designee, may request. Distributions of any fund principal amounts may be made and must be approved by at least 75% of Kenosha Area Family and Aging Services, Inc.'s Board of Directors after the approval of the Board of Directors of the Kenosha Community Foundation upon a minimum of a thirty-day advance notice provided by the Kenosha Area Family and Aging Services, Inc.'s Board of Directors, prior to the end of the calendar quarter.

The endowment fund held by the Kenosha Community Foundation is in pooled investment accounts. Investments held by the Foundation include common stocks, U.S. treasury notes, mutual funds, and other fixed-income accounts. The investment returns, net of trustee fees, are allocated to Kenosha Area Family and Aging Services, Inc.'s endowment fund based on the endowment's average monthly balance in relationship to total funds invested by the foundation.

	2022	2021
Realized Gains	\$ 3,741	\$ 912
Interest Income	3,664	5,093
Net Unrealized Gains (Losses)	(34,558)	13,796
Administrative Fees	<u>(1,428)</u>	<u>(1,487)</u>
	<u>\$ (28,581)</u>	<u>\$ 18,314</u>

Note 3. Endowment

In May of 2011, Kenosha Area Family and Aging Services, Inc., designated \$100,000 of unrestricted net assets to establish the Kenosha Area Family and Aging Services, Inc., Endowment Fund at the Kenosha Community Foundation. The fund was established to support the designated purposes of Kenosha Area Family and Aging Services, Inc. Since the amount resulted from an internal designation and is not donor restricted, it is classified and reported as unrestricted net assets.

Return Objectives and Risk Parameters (Investment Policy)

See Note 2 under Beneficial Interest in Assets held by the Kenosha Community Foundation for the return objectives and risk parameters (investment policy).

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Kenosha Community Foundation relies on total return strategy in which investment returns are achieved through pooled investment accounts. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 3. Endowment (cont.)

Spending Policy and How the Investment Objectives Relate to Spending Policy

See Note 2 under Beneficial Interest in Assets held by the Kenosha Community Foundation for the investment policy for the assets held at the Kenosha Community Foundation.

In order to facilitate the Organization's income planning and quarterly support of their programs, the Kenosha Community Foundation's intent is to quarterly distribute ("spend income earned") for use of Kenosha Area Family and Aging Services, Inc.'s Meals on Wheels, but would maintain the market value of the endowment at \$100,000.

Endowment Net Asset Composition by Type of Fund as of December 31, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-Restricted Endowment Funds	<u>\$ 132,330</u>	<u>\$ —</u>	<u>\$ 132,330</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2022

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	<u>\$ 160,911</u>	<u>\$ —</u>	<u>\$ 160,911</u>
Investment Return			
Investment Income	3,664	—	3,664
Net Depreciation (Relized and Unrealized)	<u>(30,817)</u>	<u>—</u>	<u>(30,817)</u>
Total Investment Return	<u>(27,153)</u>	<u>—</u>	<u>(27,153)</u>
Distributions	<u>—</u>	<u>—</u>	<u>—</u>
Appropriation of Endowment Assets for Expenditure	<u>(1,428)</u>	<u>—</u>	<u>(1,428)</u>
Endowment Net Assets, End of Year	<u>\$ 132,330</u>	<u>\$ —</u>	<u>\$ 132,330</u>

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 3. Endowment (cont.)

Endowment Net Asset Composition by Type of Fund as of December 31, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ <u>160,911</u>	\$ <u>—</u>	\$ <u>160,911</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ <u>142,597</u>	\$ <u>—</u>	\$ <u>142,597</u>
Investment Return			
Investment Income	912	—	912
Net Depreciation (Realized and Unrealized)	<u>18,889</u>	<u>—</u>	<u>18,889</u>
Total Investment Return	<u>19,801</u>	<u>—</u>	<u>19,801</u>
Distributions	<u>—</u>	<u>—</u>	<u>—</u>
Appropriation of Endowment Assets for Expenditure	<u>(1,487)</u>	<u>—</u>	<u>(1,487)</u>
Endowment Net Assets, End of Year	\$ <u>160,911</u>	\$ <u>—</u>	\$ <u>160,911</u>

Note 4. Funds Held in Trust

The Organization serves as a fiscal agent for the R.S.V.P. Volunteers. As a fiscal agent, Kenosha Area Family and Aging Services, Inc., receives funds from various contributors and only disburses these funds as approved by the R.S.V.P. Volunteers. The cash is restricted for this use only.

Note 5. Line of Credit

The Organization has an available line of credit. The line of credit available to the Organization as of December 31, 2022 and 2021 was \$200,000 from Johnson Bank. Borrowings made under the line of credit as of December 31, 2022 and 2021 were \$-0- and \$-0-, respectively. The line of credit with Johnson Bank expires on October 27, 2023.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 6. Net Assets with Donor Restriction

The Organization receives contributions that are to be spent for specific purposes and/or periods. These assets are considered to be temporarily restricted until the funds are spent for the intended purpose or time restriction is met.

Net assets with donor restrictions are available for the following purposes and/or periods:

For the Year Ended December 31, Subject to Expenditure for Specified Purpose	2022	2021
Program Activities		
United Way and Johnson Bank—Meals on Wheels	\$ 8,111	\$ 6,921
Bader Grant—Socialization and Tech Support	15,634	12,946
Senior Meals	—	3,000
Family Services	2,774	25,000
Just Response	16,745	
T-3 Donations—Meals on Wheels and Adult Nutrition	<u>-</u>	<u>10,254</u>
Total Net Assets with Donor Restrictions	<u>\$ 43,264</u>	<u>\$ 58,121</u>

Note 7. Operating Leases

The Organization rents space at four different locations throughout Kenosha County to be the host site for the adult nutrition program. The rental agreements are on an annual basis, expiring on December 31, 2022, and can be terminated by either party with a sixty-day written notice. In addition, the Organization also rents a space in Kenosha County for the Daybreak program. The rental agreement is on a month-to-month basis and can be terminated by either party with a ninety-day written notice. The rent expense for the years ended December 31, 2022 and 2021 was \$6,790 and \$8,620, respectively.

Note 8. Program Services

The Organization offers the following program services:

Information, Assistance, and Access—Information about services available to older persons is provided by phone, online, or through office visits. Assistance in accessing services and assessments for the Family Care Program and other long-term care needs is also provided.

R.S.V.P. (Retired Senior Volunteer Program)—Retirees age 55 and over are recruited as volunteers to share their valuable experience and skills with not-for-profit organizations. Volunteers receive training, volunteer opportunities matching their skills and interests, transportation assistance, recognition, and other support services.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 8. Program Services (cont.)

Meals on Wheels—Volunteers deliver meals to elderly or disabled persons in their homes. Lunch and evening meals are available weekdays and on weekends. The Meals on Wheels program enables the elderly, the sick, and the disabled to remain in their own homes with help from people who care. Through Meals on Wheels, home-delivered meals are provided to persons who are unable to prepare their own meals and are at risk of going to a nursing home.

Adult Nutrition—Lunchtime meals are served weekdays at six locations for persons aged 60 and over. Activities and information about services are also provided.

Volunteer Transportation—Volunteer drivers provide rides for elderly and disabled persons to medical appointments, shopping, and other essential trips.

Daybreak—Group respite care is offered weekdays in Kenosha, Bristol, and Twin Lakes to persons with Alzheimer's or related dementia and their caregivers.

Foster Grandparent—Connects senior role models with youth who have exceptional needs. Seniors receive enrichment while providing support and comfort to children, helping to promote a successful future.

Community Care Corps Home Repair—Provides minor home repairs and maintenance to seniors or adults with disabilities to promote aging in place and to prevent community blight. Clients enjoy improved living conditions and a reduction in safety concerns due to the environmental improvements made.

Grocery Shopping—Increases accessibility to nutrition by providing assistance with the ordering, pickup, and delivery of groceries to clients with barriers including COVID-19, inability to afford supportive home care, lack of support, inability to order online, or lack of internet access.

Stepping On—Evidence-based program proven to reduce falls by more than 31% for older people living in the community. The program provides strategies for positive lifestyle changes promoting independence and a more active lifestyle for aging adults.

Friendly Visitor—Volunteers make weekly visits to frail elderly persons in their homes to provide companionship and to reduce isolation.

Family Services—Kenosha Area Family and Aging Services, Inc., has been providing home visiting services to parents with infants, toddlers, and school-age children since 1971. Our home visitation services are focused on strengthening parent-child relationships, and engaging families as partners in the process of nurturing their children. We emphasize a proactive approach for preventing child abuse and neglect by promoting the idea that family and staff work together in relationships based on equality and respect. Our goals are:

- to prevent child abuse and neglect;
- to help parents provide a caring, nurturing, and healthy environment for their children;
- to promote the building of developmental assets for youth; and
- to support the development of healthy families.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 8. Program Services (cont.)

The Organization offers more specific program services under the Family Services program as follows:

Family Support Program—Parenting skills training is provided to eligible families through regular in-home visits over a three- to six-month period. Information is provided on child development, nonphysical methods of child discipline, childcare, nutrition, preventive healthcare, and community resources.

Family Preservation Program—Families in crisis are provided intensive home visiting services (daily home visits and twenty-four hour a day emergency response) for an eight-week period to ensure the safety of their children. Counseling, parenting skills training, referrals to other agencies, and other support services are provided to stabilize the family and create a safe home environment for the children.

Family Preservation Safety Program (FPSP)—The Family Preservation Safety Program (FPSP) will provide short-term, in-home services to families experiencing a crisis involving an imminent risk of placement of their children. Staff is available twenty-four hours a day, seven days a week, and will provide an average of 10–15 hours of contact/instruction per week upon initial entry into the program based on the DCFS social worker’s assessment.

Case Management—Families receiving Medical Assistance who have children assessed to be at risk of physical, mental, or emotional dysfunction are eligible for case management services that include: an annual needs assessment, case plan development, and ongoing monitoring and service coordination to implement case plan.

Note 9. Retirement Plan

The Organization has a 403(b) Retirement Plan. Upon the employee meeting the minimum requirements of 21 years of age and two (2) years of 2,080 hours, the employee is eligible to participate in the Plan. The Organization will contribute to the Plan beginning the first month after the month in which the employee completes their second year of employment and is enrolled in the Plan. The Organization reserves the right to amend or terminate this Plan at the discretion of the Board of Directors. For the years ended December 31, 2022 and 2021, the Organization contributed \$16,281, and \$16,752, respectively, to the Retirement Plan.

Note 10. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. The Statement of Functional Expenses contains summarized information that presents expenses by natural classification in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. 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.

This information is an integral part of these Financial Statements.

Kenosha Area Family and Aging Services, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 11. Subsequent Events

Management has evaluated all subsequent events through October 19, 2023, for possible inclusion in a disclosure in the financial statements.

Note 12. Liquidity and Availability of Resources

As of December 31, 2022, the Organization had \$644,962 of financial assets available in order to meet cash needs for general expenditures. This amount consisted of cash of \$199,500 and accounts receivable of \$445,462 in order to meet the cash needs within the next year.

The Organization has also addressed and is managing the cash flow and uses a variety of tools. The Organization has developed and instituted a monthly cash flow management report in dashboard form to assist in board awareness surrounding liquidity, and it is discussed at every board meeting. The Board continually assesses the timing of the accounts payable, monitors their budget monthly, and have prepared a budget with planned reserves for 2023, which they are working to execute. The Organization also has a line of credit that is available to them.

Note 13. Debt

During the year ended December 31, 2020, the Organization received loan proceeds from the SBA in the amount of \$457,400, pursuant to the Paycheck Protection Program (PPP), which was enacted March 27, 2020. The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization.

The loans and accrued interest are forgivable after either eight weeks or twenty-four weeks, as elected, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the elected eight-week or twenty-four-week period.

The loan, which was issued on April 16, 2020, matures on April 16, 2022. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral of payments for the first six months. During the year ended December 31, 2021, the Organization had received forgiveness of \$39,024.

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October 19, 2023

JOSEPH L. NIXA, CPA
GEORGE L. GISSELL, CPA
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To the Board of Directors
Kenosha Area Family and Aging Services, Inc.
Kenosha, Wisconsin

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

We have audited, 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, the financial statements of Kenosha Area Family and Aging Services, Inc., which comprise the Statement of Financial Position as of December 31, 2022, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 19, 2023.

Internal Control over Financial Reporting

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

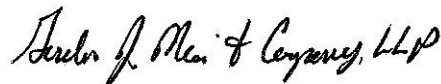
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenosha Area Family and Aging Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2022-001 and 2022-002.

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 report is not suitable for any other purpose.



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Certified Public Accountants

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October 19, 2023

To the Board of Directors
Kenosha Area Family and Aging Services, Inc.
Kenosha, Wisconsin

**Report on Compliance for Each Major Federal Program; Report on Internal Control
over Compliance; Report on the Schedule of Expenditures of Federal and State Awards
Required by The Uniform Guidance**

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kenosha Area Family and Aging Services, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kenosha Area Family and Aging Services, Inc.'s major federal programs for the year ended December 31, 2022. Kenosha Area Family and Aging Services, 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, Kenosha Area Family and Aging Services, 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 Guidance 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 Kenosha Area Family and Aging Services, 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 Kenosha Area Family and Aging Services, 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 Kenosha Area Family and Aging Services, 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 Kenosha Area Family and Aging Services, 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 one 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 Kenosha Area Family and Aging Services, 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 judgement 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 Kenosha Area Family and Aging Services, 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 Kenosha Area Family and Aging Services, 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 that 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 Kenosha Area Family and Aging Services, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with The Uniform Guidance, which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Kenosha Area Family and Aging Services, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Kenosha Area Family and Aging Services, Inc.'s response was not subjected to the other auditing

procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we considered to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on Kenosha Area Family and Aging Services, Inc.'s response to the internal control over compliance findings identified in our compliance audit and described in the accompanying schedules of findings and questioned costs. Kenosha Area Family and Aging Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Gordon J. Maier & Company, LLP
Certified Public Accountants

**Kenosha Area Family and Aging Services, Inc.
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2022**

Prior Year Financial Statement Findings

No financial statement findings were noted.

Prior Year Federal Award Findings and Questioned Costs

No federal award findings and questioned cost findings were noted.

**Kenosha Area Family and Aging Services, 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: Unmodified

Internal Control over Financial Reporting:

- Material Weakness(es) Identified? _____ Yes x No
- Significant Deficiencies Identified? _____ Yes x No

Noncompliance Material to Financial Statements Noted? _____ Yes x No

Federal Awards

Internal Control over Major Programs:

- Material Weakness(es) Identified? _____ Yes x No
- Significant Deficiencies Identified? x Yes _____ No

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 200.516(a)? _____ Yes x No

Identification of Major Programs:

Federal CFDA#	Program/Grant Title
93.778	Medical Assistance Program

Dollar Threshold Used to Distinguish between Type A and Type B Programs: \$750,000

Auditee Qualifies as Low-Risk Auditee? _____ Yes x No

Kenosha Area Family and Aging Services, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section II—Financial Statement Findings

None

Section III—Federal Award Findings and Questioned Costs

Finding 22-01 Activities Allowed

Criteria or Specific Requirement: Invoices need to be provided to determine if it is an allowable cost. Additionally, there needs to be a proper review and approval of all invoices allocated to a program.

Context: A test of 60 transactions that totaled 62% of the total expenses within the program was performed. We were unable to test all 60 transactions due to the invoices not being available to us during our test.

Cause: Certain receipts were not kept in the Organization's files. Other receipts were kept in the Organization's files but did not document an approval process.

Effect: \$6,627 of costs are likely questioned as a result of failing to keep invoices and maintain proper approvals on all invoices.

Recommendation: We recommend that all invoices go through an approval process documenting the initials and date of the approval of the program manager prior to all expenses getting paid. We also recommend that all expenditures allocated to programs are retained and kept in files along with any supporting documentation.

View of Responsible Officials and Planned Corrective Actions: We have already implemented a process that requires any expenses that will be paid back to an employee as it relates to a program or the Kafasi building to be submitted with the receipt and expenses sheet filled out. The expense sheet will be signed by the manager and dated prior to reimbursement. The completed expense sheet with signature/date and receipt will be saved in our payroll software for future reference.

Kenosha Area Family and Aging Services, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Finding 22-02—Background Checks

Criteria or Specific Requirement: The contract has a requirement that background checks are required for all personnel that are allocated to IA&A.

Context: We attempted to review background checks performed on new employees who were allocated to the IA&A program.

Cause: Copies of the background checks were not kept in the employees' files.

Effect: We are unable to determine if the background checks were completed.

Recommendation: We recommend that all background checks be performed, and a copy of the background check is included in the employee's file.

View of Responsible Officials and Planned Corrective Actions: We have since moved all employee files to our main office. We are in the process of auditing employee files for background checks. For any background checks that are found to be missing we will get another one re-issued and added into the employee folders.

Supplementary Information

**Kenosha Area Family and Aging Services, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022**

Section IV—Other Issues

Does the auditor have substantial doubt about the auditee’s ability to continue as a going-concern? No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comment) related to grants/contracts with funding agencies that require audits to be in accordance with the *Department of Health Services (DHS) Audit Guide, 2018 Revision*?

Department of Health and Family Services No

Department of Workforce Development N/A

Department of Corrections N/A

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

Signature of Partner in Charge _____

Date of Report _____

Kenosha Area Family and Aging Services, Inc.
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Description	Federal CFDA #	Federal Expenditure
Medicaid Cluster		
U.S. Department of Health and Human Services		
Pass-through from Kenosha County Department of Human Services*		
Medical Assistance Program	93.778	\$ 697,168
U.S. Department of Health and Human Services		
Pass-through from Kenosha County Department of Human Services*		
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	5,456
Activities to Support State, Tribal, Local, and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	7,634
Promoting Safe and Stable Families	93.556	49,169
		<u>62,259</u>
Aging Cluster		
U.S. Department of Health and Human Services		
Pass-through from Kenosha County Department of Human Services*		
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	102,834
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	350,434
Nutrition Services Incentive Program	93.053	102,108
		<u>555,376</u>
Total Expenditures of Federal Awards		<u>\$ 1,314,803</u>

* Pass-through ID # is not available.

State Grantor/Pass-through Grantor/Program Description	State ID #	State Expenditures
Wisconsin Department of Health and Family Services		
Pass-through from Kenosha Department of Human Services		
EBS MA LTCFS	435.404	\$ -
Specialized Transportation Assistance Program	85.210	\$ 78,142
Basic County Allocation	435.560	668,435
		<u>746,577</u>
Total Expenditures of State Awards		<u>\$ 746,577</u>

Kenosha Area Family and Aging Services, Inc.
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2022

Note A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal award activity of Kenosha Area Family and Aging Services, Inc., under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Kenosha Area Family and Aging Services, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Kenosha Area Family and Aging Services, Inc.

Note B. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in The Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement or credits. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C. Indirect Cost Rate

Kenosha Area Family and Aging Services, Inc., has elected not to use the 10 percent de minimis indirect cost rate allowed under The Uniform Guidance.

Kenosha Area Family and Aging Services, Inc.
Schedule of Revenue and Expenses, by Program, and Supporting Activities Expenses
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

	Information, Assistance, and Access	R,S,V,P	Meals on Wheels	Adult Nutrition	Volunteer Transportation	Foster Grandparent	Community Care Corps	Grocery Shopping	Music and Memory	Stepping On	Friendly Visitor	Family Services	Just Response	Total Program Services	Management and General	Fundraising	Total Supporting Services	2022 Total	2021 Total
Public Support and Revenue																			
Government Support																			
Kenosha County Department of Children and Family Services																			
	\$ 14,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,978	\$ -	\$ 503,619	\$ -	\$ -	\$ -	\$ 503,619	\$ 574,946
Kenosha County Division of Aging and Disability Services																			
	1,271,423	-	503,618	68,260	88,221	136,438	90,280	20,800	6,143	7,553	85,611	-	7,634	2,285,981	-	-	-	2,285,981	2,128,757
Community and Family Care																			
	-	-	85,486	-	-	-	-	-	-	-	-	-	-	85,486	-	-	-	85,486	63,723
IRIS																			
	-	-	5,579	-	-	-	-	-	-	-	-	-	-	5,579	-	-	-	5,579	9,251
Corporation for National Service																			
	-	9,460	-	-	-	-	-	-	-	-	-	-	-	9,460	-	-	-	9,460	68,500
Wisconsin Department of Health and Family Services—R.S.V.P.																			
	-	55,086	860	-	-	-	-	-	-	-	-	-	-	55,946	-	-	-	55,946	10,326
Community Development Block Grant																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,994
Community Support																			
Contributions																			
	-	75	17,589	-	9,025	-	5,700	-	-	20	22,122	-	16,745	71,276	-	45,090	45,090	116,366	136,460
In-Kind Donations																			
	-	-	-	2,450	-	-	-	-	-	-	-	-	-	2,450	-	200	200	2,650	2,100
United Way of Kenosha County, Inc.																			
	-	-	11,371	-	-	-	-	-	-	-	-	-	-	11,371	-	-	-	11,371	11,720
Special Events																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,250	20,250	20,250	17,519
Revenue																			
Client Program Contribution Revenue																			
	-	-	81,879	(317)	-	-	-	-	-	-	-	-	-	81,562	-	-	-	81,562	74,829
Client Payments																			
	-	-	67,344	-	44,124	-	-	23,067	-	-	-	1,490	6,774	142,799	-	79	79	142,878	94,465
Miscellaneous Income																			
	-	138	-	-	4	-	-	-	-	-	-	4,325	2,862	7,329	415	841	1,256	8,585	33,485
Investment																			
	-	-	-	269	-	-	-	-	-	-	-	-	-	269.00	(26,774)	-	(26,774)	(26,505)	19,950
Total Public Support and Revenue	1,286,064	64,759	773,726	70,662	141,374	136,438	95,980	43,867	6,143	7,573	107,733	494,793	34,015	3,263,127	(26,359)	66,460	40,101	3,303,228	3,250,025
Operating Expenses																			
Salaries																			
	1,104,943	60,344	225,239	65,066	68,952	81,845	36,286	15,269	3,840	4,404	78,265	362,521	-	2,106,974	(12,475)	18,917	6,442	2,113,416	1,990,958
Payroll Taxes																			
	83,955	4,793	17,696	4,875	5,648	6,221	3,109	1,251	210	319	6,086	28,217	-	162,380	(830)	1,473	643	163,023	144,354
Employee Benefits																			
	179,528	6,359	29,435	5,381	4,374	13,233	1,097	706	742	1,887	10,738	56,738	-	310,218	(5,275)	1,735	(3,540)	306,678	340,562
Professional Fees																			
	20,258	1,136	6,828	2,489	2,198	1,546	1,344	345	567	45	1,679	9,750	20,772	68,957	(849)	17,211	16,362	85,319	55,759
Food Costs																			
	-	-	515,623	-	-	-	-	-	-	-	-	-	-	515,623	-	-	-	515,623	363,398
Site Supplies																			
	150	176	15,477	4,740	334	183	6,098	24,620	12	11	114	2,900	-	54,815	(379)	1,158	779	55,594	32,490
Telephone																			
	609	107	4,674	62	903	473	1,107	415	19	17	5,460	4,069	-	17,915	(584)	147	(437)	17,478	21,079
Postage and Delivery																			
	-	94	2,199	90	247	2,649	-	-	-	-	133	192	-	5,604	(30)	662	632	6,236	4,284
Site Rent																			
	-	-	1,401	6,114	-	-	-	-	-	-	-	-	-	7,515	-	-	-	7,515	8,620
Supplies																			
	12,780	1,544	3,745	88	135	68	39,914	518	10	34	866	854	-	60,556	(375)	489	114	60,670	23,854
Utilities																			
	-	774	4,180	532	1,362	1,119	567	369	130	118	1,552	6,895	-	17,598	(105)	185	80	17,678	15,667
Computer, Copier, and Equipment																			
Maintenance and Rental																			
	94	7,816	13,751	2,709	11,125	2,260	7,679	1,494	283	290	2,931	13,023	-	63,455	(926)	1,542	616	64,071	47,137
Repairs and Maintenance																			
	-	332	3,246	612	538	506	171	160	50	26	538	4,223	-	10,402	(243)	84	(159)	10,243	6,807
Subscriptions, Publications, and Dues																			
	-	305	96	-	795	25	17	9	3	4	23	687	-	1,964	(49)	1,933	1,884	3,848	1,948
Travel Expense																			
	4,382	166	2,400	890	26,774	2,151	822	2,456	-	8	118	5,479	-	45,646	(197)	-	(197)	45,449	28,295
Conferences and Training																			
	3,776	2,752	3,944	45	186	1,218	5,375	-	-	-	430	1,432	-	19,158	(893)	-	(893)	18,265	10,362
Insurance																			
	12,239	2,526	5,700	268	1,695	921	479	299	108	111	1,506	5,560	-	31,412	(2,084)	167	(1,917)	29,495	18,055
Client Support																			
	-	-	3,029	-	-	36	-	-	-	-	-	-	-	25,131	(6)	2,092	2,086	30,282	5,794
Volunteer Recognition																			
	-	4,992	-	-	1,699	1,501	-	-	-	-	-	-	-	8,192	(3)	1,223	1,220	9,412	4,941
Advertising																			
	-	369	2,578	-	4,983	4,677	3,296	12	4	3	35	235	-	16,192	24	506	530	16,722	4,765
Bad Debt Expense																			
	-	-	454	-	49	-	-	-	-	-	5,230	-	-	5,733	-	-	-	5,733	2,075
In-Kind Donated Expense																			
	-	-	-	2,728	-	-	-	-	-	-	-	2,467	-	5,195	-	211	211	5,406	2,100
Other Expenses																			
	-	-	-	-	-	23,455	-	-	-	-	-	-	-	23,455	7	1,188	1,195	24,650	24,163
Depreciation Expense																			
	-	776	3,347	-	1,157	-	-	-	145	-	739	5,273	-	11,437	(234)	379	145	11,582	17,817
Total Expenses	1,422,714	95,361	865,042	96,689	133,154	144,087	107,361	47,923	6,123	7,277	116,443	535,646	20,772	3,598,592	(25,506)	51,302	25,796	3,624,388	3,175,284
Total Excess (Deficit)	\$ (136,650)	\$ (30,602)	\$ (91,316)	\$ (26,027)	\$ 8,220	\$ (7,649)	\$ (11,381)	\$ (4,056)	\$ 20	\$ 296	\$ (8,710)	\$ (40,853)	\$ 13,243	\$ (335,465)	\$ (853)	\$ 15,158	\$ 14,305	\$ (321,160)	\$ 74,741

Kenosha Area Family and Aging Services, Inc.
Schedule of Revenue and Expenses, by Program—Family Services
For the Year Ended December 31, 2022
With Summarized Financial Information
For the Year Ended December 31, 2021

	Comprehensive Child Care Support	Family Preservation	Family Support	2022	2021
Public Support and Revenue					
Government Support					
Kenosha County Department of Children and Family Services	\$ 63,125	\$ 252,504	\$ 173,349	\$ 488,978	\$ 559,589
Revenue					
Client Payments	75	1,010	405	1,490	3,305
Miscellaneous Income	-	-	4,325	4,325	25,100
Total Public Support and Revenue	<u>63,200</u>	<u>253,514</u>	<u>178,079</u>	<u>494,793</u>	<u>587,994</u>
Operating Expenses					
Salaries	17,157	190,298	155,066	362,521	387,686
Payroll Taxes	1,301	14,607	12,309	28,217	28,252
Employee Benefits	2,934	34,047	19,757	56,738	74,358
Professional Fees	774	3,325	5,651	9,750	5,734
Food Costs	-	-	-	-	-
Site Supplies	1,553	788	559	2,900	577
Telephone	100	1,755	2,214	4,069	6,430
Postage and Delivery	-	180	12	192	95
Supplies	37	172	645	854	1,110
Utilities	602	2,856	3,437	6,895	6,121
Computer, Copier, and Equipment				-	-
Maintenance and Rental	1,246	5,710	6,067	13,023	10,960
Repairs and Maintenance	1,700	1,204	1,319	4,223	1,658
Subscriptions, Publications, and Dues	49	307	331	687	643
Travel Expense	152	3,560	1,767	5,479	3,555
Conferences and Training	205	177	1,050	1,432	996
Insurance	507	2,445	2,608	5,560	1,919
Client Support	1,848	-	23,283	25,131	961
Advertising	22	103	110	235	100
Depreciation Expense	344	2,387	2,542	5,273	6,534
In-Kind Donations	-	-	2,467	2,467	-
Total Expenses	<u>30,531</u>	<u>263,921</u>	<u>241,194</u>	<u>535,646</u>	<u>537,689</u>
Total Excess (Deficit)	<u>\$ 32,669</u>	<u>\$ (10,407)</u>	<u>\$ (63,115)</u>	<u>\$ (40,853)</u>	<u>\$ 50,305</u>