

**BROADSCOPE DISABILITY SERVICES, INC.**

Greenfield, Wisconsin

**Audited Financial Statements**

December 31, 2023

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

**Table of Contents**

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 17
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> and the <i>Wisconsin DHS Audit Guide</i>	18 – 19
Schedule of Expenditures of Federal and State Awards and Fee-for-Service Contracts	20
Notes to Schedule of Expenditures of Federal and State Awards and Fee-for-Service Contracts	21
Summary Schedule of Prior Audit Findings	22
Schedule of Findings and Responses	23 - 24
Schedule of Revenues and Expenses by Program – Without Donor Restriction	25
DHS Cost Reimbursement Award Schedule	26



Board of Directors  
Broadscope Disability Services, Inc.  
Greenfield, Wisconsin

## **Report on the Audit of the Financial Statements**

### ***Opinion***

We have audited the accompanying financial statements of Broadscope Disability Services, Inc. (a nonprofit organization) (“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 the Organization 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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors’ 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 auditors’ 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.

## ***Auditors' Responsibilities for the Audit of the Financial Statements (Continued)***

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 the Organization'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 the Organization'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.

### ***Supplementary Information***

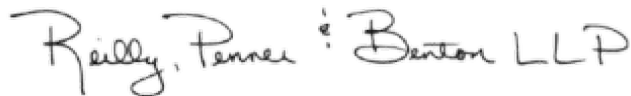
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues and expenses by program – without donor restriction on page 25, schedule of federal and state awards and fee-for-service contracts on page 20 and the supplemental information on page 26, as required by the Wisconsin DHS Audit Guide and Milwaukee County, 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2024 on our consideration of Broadscope Disability 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 and other matters. 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 Broadscope Disability Services, Inc.'s internal control over financial reporting and compliance.

### ***Report on Summarized Comparative Information***

We have previously audited the Broadscope Disability Services, Inc.'s financial statements, and we expressed an unmodified opinion on those financial statements in our report dated April 14, 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.



May 6, 2024  
Milwaukee, Wisconsin

**BROADSCOPE DISABILITY SERVICES**  
Greenfield, Wisconsin

**Statement of Financial Position**  
December 31, 2023  
With Summarized Totals For December 31, 2022

ASSETS	2023			<b>Total 2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
Cash and equivalents	\$ 128,205	\$ 29,830	\$ 158,035	\$ 154,535
<b>Trade receivables (net of allowance for credit loss of \$0):</b>				
General	41,440	---	41,440	46,010
Government contracts	518,429	---	518,429	414,893
<b>Total trade receivables</b>	559,869	---	559,869	460,903
Promises to give	---	---	---	20,000
Prepaid expenses	16,910	---	16,910	12,775
Investments	595,205	---	595,205	514,435
Property and equipment (net)	3,838	---	3,838	5,961
<b>Other assets:</b>				
Operating lease right of use asset	76,987	---	76,987	127,266
Finance lease right of use asset	2,957	---	2,957	824
Greater Milwaukee Foundation - Investments	---	---	---	167,402
	\$ 1,383,971	\$ 29,830	\$ 1,413,801	\$ 1,464,101
<b>Total assets</b>	<b>\$ 1,383,971</b>	<b>\$ 29,830</b>	<b>\$ 1,413,801</b>	<b>\$ 1,464,101</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 18,982	\$ ---	\$ 18,982	\$ 53,323
Deferred revenue	1,500	---	1,500	13,250
Accrued payroll and related liabilities	33,574	---	33,574	40,181
Accrued vacation payable	43,288	---	43,288	39,525
Accrued payroll and related liabilities - fiscal agent	172,605	---	172,605	204,936
Fiduciary account - PFM	---	---	---	475
Line of credit	50,000	---	50,000	---
Operating lease liability - current	51,953	---	51,953	50,086
Finance lease liability - current	1,203	---	1,203	829
Operating lease liability - long-term	26,427	---	26,427	78,379
Finance lease liability - long-term	1,788	---	1,788	---
	401,320	---	401,320	480,984
<b>Total liabilities</b>	<b>401,320</b>	<b>---</b>	<b>401,320</b>	<b>480,984</b>
<b>Net Assets:</b>				
Without donor restrictions	982,651	---	982,651	950,911
With donor restrictions	---	29,830	29,830	32,206
	982,651	29,830	1,012,481	983,117
<b>Total net assets</b>	<b>982,651</b>	<b>29,830</b>	<b>1,012,481</b>	<b>983,117</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,383,971</b>	<b>\$ 29,830</b>	<b>\$ 1,413,801</b>	<b>\$ 1,464,101</b>

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

**BROADSCOPE DISABILITY SERVICES**

Greenfield, Wisconsin

**Statement of Activities**

Year Ended December 31, 2023

With Summarized Totals For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>Public Support and Contract Revenue:</b>				
<b>Exchange transactions:</b>				
<b>Fee-for-service:</b>				
CLTS Waiver program	\$ 3,792,059	\$ ---	\$ 3,792,059	\$ 2,912,333
Waukesha County	15,994	---	15,994	38,359
State of Wisconsin:				
Division of Vocational Rehabilitation	45,470	---	45,470	29,290
My Choice Family Care	240,192	---	240,192	235,667
Community Care	236,029	---	236,029	218,655
Independent Care Health Plan	19,578	---	19,578	15,335
IRIS	257,322	---	257,322	219,073
<b>Total fee-for-service</b>	<b>4,606,644</b>	<b>---</b>	<b>4,606,644</b>	<b>3,668,712</b>
Private pay	13,904	---	13,904	16,985
Fiscal agent fee revenue	331,601	---	331,601	238,438
<b>Total exchange transactions</b>	<b>4,952,149</b>	<b>---</b>	<b>4,952,149</b>	<b>3,924,135</b>
<b>Non-exchange transactions:</b>				
Milwaukee County grant	150,000	---	150,000	150,000
Other grants	41,000	20,124	61,124	77,997
Contributions	285,131	---	285,131	169,077
Contributed nonfinancial assets	1,818	---	1,818	22,070
<b>Total non-exchange transactions</b>	<b>477,949</b>	<b>20,124</b>	<b>498,073</b>	<b>419,144</b>
Special events revenues	128,086	---	128,086	84,566
Less: Direct benefit to donor	(63,063)	---	(63,063)	(42,138)
<b>Total public support and contract revenue</b>	<b>5,495,121</b>	<b>20,124</b>	<b>5,515,245</b>	<b>4,385,707</b>
<b>Other Revenue:</b>				
Investment income (loss), net	93,404	---	93,404	(127,592)
Other revenue	7,401	---	7,401	26,038
<b>Total other revenue</b>	<b>100,805</b>	<b>---</b>	<b>100,805</b>	<b>(101,554)</b>
Net assets released from restrictions	22,500	(22,500)	---	---
<b>Total revenue</b>	<b>5,618,426</b>	<b>(2,376)</b>	<b>5,616,050</b>	<b>4,284,153</b>
<b>Expenses:</b>				
<b>Program service:</b>				
Independent living	258,738	---	258,738	266,490
Representative payee	118,889	---	118,889	124,851
Respite care	4,555,609	---	4,555,609	3,604,291
Employment services	358,461	---	358,461	301,245
<b>Total program service</b>	<b>5,291,697</b>	<b>---</b>	<b>5,291,697</b>	<b>4,296,877</b>
Fundraising and development	197,364	---	197,364	206,532
General and administrative	97,625	---	97,625	102,996
<b>Total expenses</b>	<b>5,586,686</b>	<b>---</b>	<b>5,586,686</b>	<b>4,606,405</b>
<b>Change in net assets</b>	<b>31,740</b>	<b>(2,376)</b>	<b>29,364</b>	<b>(322,252)</b>
<b>Net assets, beginning of year</b>	<b>950,911</b>	<b>32,206</b>	<b>983,117</b>	<b>1,305,369</b>
<b>Net assets, end of year</b>	<b>\$ 982,651</b>	<b>\$ 29,830</b>	<b>\$ 1,012,481</b>	<b>\$ 983,117</b>

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

**BROADSCOPE DISABILITY SERVICES**  
Greenfield, Wisconsin

**Statements of Cash Flows**  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 29,364	\$ (322,252)
<b>Adjustments to reconcile change in net assets to net change in cash and equivalents</b>		
Depreciation	2,123	2,124
Amortization on right of use asset	1,228	1,236
Realized gain on investments	(1,051)	(3,703)
Unrealized (gain) loss on investments	(83,025)	132,678
<b>Changes in operating accounts:</b>		
Trade receivables	(98,966)	(20,086)
Promises to give	20,000	(20,000)
Prepaid expenses	(4,135)	453
Accounts payable	(34,341)	23,607
Deferred revenue	(11,750)	12,850
Operating lease asset and liability	194	1,199
Accrued payroll and related liabilities	(6,607)	(1,583)
Accrued payroll and related liabilities - fiscal agent	(32,331)	(23,837)
Accrued vacation payable	3,763	(2,415)
Fiduciary account - PFM	(475)	---
<b>Net cash and equivalents used by operating activities</b>	(216,009)	(219,729)
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	(15,221)	(106,341)
Proceeds from investment sales	185,929	104,916
<b>Net cash and equivalents provided (used) by investing activities</b>	170,708	(1,425)
<b>Cash Flows from Financing Activities:</b>		
Payments of financing right of use asset	(1,199)	(1,232)
Proceeds from line of credit	1,400,000	---
Payments on line of credit	(1,350,000)	---
<b>Net cash and equivalents provided (used) by financing activities</b>	48,801	(1,232)
<b>Net change in cash and equivalents</b>	3,500	(222,386)
Cash and equivalents - Beginning of year	154,535	376,921
<b>Cash and equivalents - End of year</b>	\$ 158,035	\$ 154,535
<b>Supplementary Information:</b>		
Interest paid	\$ 10,206	\$ ---
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	51,738	50,732
Operating cash flows from finance leases	67	16
Financing cash flows from finance leases	1,100	1,232
<b>Right of use assets obtained in exchange for lease liabilities</b>		
Finance leases	3,671	2,061

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

**BROADSCOPE DISABILITY SERVICES**

Greenfield, Wisconsin

**Statement of Functional Expenses**

Year Ended December 31, 2023

With Summarized Totals For the Year Ended December 31, 2022

	<u>Independent Living</u>	<u>Representative Payee</u>	<u>Respite Care</u>	<u>Employment Services</u>	<u>Total Program Services</u>	<u>Fundraising and Development</u>	<u>General and Administrative</u>	<u>Cost of Direct Benefit to Donor</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>Expenses:</b>										
Salaries and wages	\$ 165,353	\$ 78,435	\$ 161,084	\$ 228,486	\$ 633,358	\$ 95,219	\$ 46,352	\$ ---	\$ 774,929	\$ 741,766
Employee benefits	18,805	10,174	49,146	28,700	106,825	12,012	7,955	---	126,792	118,179
Payroll taxes	12,039	5,948	12,071	16,723	46,781	6,908	3,570	---	57,259	54,355
Amortization of right of use asset	246	135	221	368	970	160	98	---	1,228	1,236
Conferences and seminars	8,642	---	---	839	9,481	294	337	---	10,112	17,531
Contributed nonfinancial assets	---	---	---	---	---	1,818	---	---	1,818	22,070
Depreciation	425	233	382	637	1,677	276	170	---	2,123	2,124
Equipment rental and maintenance	690	381	682	1,107	2,860	4,770	276	---	7,906	13,019
Fiscal agent payroll taxes	---	---	314,960	---	314,960	---	---	---	314,960	263,377
Fiscal agent Quickbook fees	---	---	---	---	---	---	---	---	---	4,442
Fiscal agent salaries	---	---	3,360,426	---	3,360,426	---	---	---	3,360,426	2,583,969
Interest expense	---	---	---	---	---	---	10,129	---	10,129	---
Interest on financing right of use lease	15	8	14	23	60	10	7	---	77	16
License and fees	---	---	---	---	---	7,710	10,742	---	18,452	17,884
Marketing activities	---	---	---	---	---	---	---	---	---	451
Miscellaneous	120	66	108	180	474	105	468	---	1,047	5,898
Occupancy	12,660	6,963	11,394	18,989	50,006	8,229	5,064	---	63,299	64,279
Postage and shipping	494	271	3,241	740	4,746	4,359	213	---	9,318	8,110
Printing and publications	118	155	106	1,126	1,505	76	47	---	1,628	2,214
Professional fees	18,438	10,141	318,262	27,657	374,498	16,915	7,418	---	398,831	270,280
Repairs and maintenance	8,277	4,553	7,450	12,416	32,696	5,380	3,311	---	41,387	36,711
Special event	---	---	---	---	---	31,348	---	63,063	94,411	67,362
Specific assistance	---	---	282,803	---	282,803	---	---	---	282,803	305,435
Subscriptions and membership	120	66	108	180	474	78	521	---	1,073	1,172
Supplies	763	---	437	693	1,893	331	185	---	2,409	2,917
Telephone	1,572	1,305	1,790	4,535	9,202	1,142	629	---	10,973	14,995
Travel	9,961	55	30,924	15,062	56,002	224	133	---	56,359	28,751
<b>Total functional expenses</b>	<b>258,738</b>	<b>118,889</b>	<b>4,555,609</b>	<b>358,461</b>	<b>5,291,697</b>	<b>197,364</b>	<b>97,625</b>	<b>63,063</b>	<b>5,649,749</b>	<b>4,648,543</b>
<b>Less expenses included with revenues on the statement of activities</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>(63,063)</b>	<b>(63,063)</b>	<b>(42,138)</b>
<b>Total expenses included in the expense section of the statement of activities</b>	<b>258,738</b>	<b>118,889</b>	<b>4,555,609</b>	<b>358,461</b>	<b>5,291,697</b>	<b>197,364</b>	<b>97,625</b>	<b>---</b>	<b>5,586,686</b>	<b>4,606,405</b>
<b>Allocation:</b>										
Administration	21,477	11,715	18,549	32,216	83,957	13,668	(97,625)	---	---	---
<b>Total expenses</b>	<b>\$ 280,215</b>	<b>\$ 130,604</b>	<b>\$ 4,574,158</b>	<b>\$ 390,677</b>	<b>\$ 5,375,654</b>	<b>\$ 211,032</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 5,586,686</b>	<b>\$ 4,606,405</b>

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

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022

**1. Summary of Significant Accounting Policies**

**Nature of Activities**

Broadscope Disability Services, Inc. ("Organization") is a not-for-profit corporation whose mission is to advance opportunities for people with disabilities and their families. The Organization serves people with a broad scope of disabilities and their families by fostering inclusion and empowering freedom of choice. We envision a world where people with disabilities and their families have the same opportunities as everyone else. The Organization fulfills its mission by focusing efforts in the following primary areas:

**Respite Care Coordination** – Respite care coordination is a service that provides a break for people who are caring for an individual or child with a disability. The Organization distributes funding for in-home respite care at an hourly, overnight or multiple-day basis.

**Employment Services** – Employment services assists adults with diverse abilities to secure and retain competitive employment. The Organization partners with businesses in the community to expand job opportunities, empower productivity and advance independence.

**Independent Living Services** – Independent living provides a broad scope of individualized services for adults with disabilities, to create opportunities for a successful life in the community. The Organization provides life skills education, community integration and budgeting and financial management assistance.

**Representative Payee** – The Organization's Representative Payees manage the assets and benefits of individuals with disabilities who have been deemed unable to manage them on their own.

**Basis of Accounting**

The Organization follows the accrual basis of accounting, wherein public support, revenues and expenses are reflected in the period earned or incurred.

**Basis of Presentation**

Financial statement presentation follows accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under these principles, the Organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

**Net assets without donor restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net assets with donor restrictions** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resource be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization does not have any restrictions that are required to be held in perpetuity.



**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

**Cash and Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash and equivalents, excluding money market funds held as investments.

**Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. U.S. GAAP clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. U.S. GAAP emphasizes that fair value is a market-based measurement and not an entity-specific measurement. U.S. GAAP establishes a hierarchy that prioritizes the inputs for measuring fair value. Those inputs are summarized as follows:

**Level 1** – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

**Level 2** – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

**Level 3** – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlations with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Held in Trust:* Valued at the net asset value provided by the Trustee for investments held in the trust at year-end.

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Trade Receivables and Allowance for Credit Losses**

Trade receivables are recorded at contract value.

The Organization estimates expected credit losses on trade receivables based on historical credit loss experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the trade receivables. The Organization has determined that no allowance for credit loss on trade receivables is necessary for the years ending December 31, 2023 and 2022, based on management's review of outstanding receivables, historical collection information, and existing economic conditions.

The credit risk profile of trade receivables is categorized based on credit quality indicators. The Organization uses this information to determine appropriate allowances for expected credit losses. The determination of expected credit losses involves significant judgments and estimates. Changes in economic conditions or customer payment behavior may impact the allowance for credit losses.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. No receivables were written off for the years ending December 31, 2023 and 2022.

The Organization had trade receivable balances as follows:

	<u>January 1, 2022</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>
Trade Receivables	\$ 440,817	\$ 460,903	\$ 559,869

**Property and Equipment**

The Organization capitalizes all expenditures in excess of \$5,000 for property and equipment at cost if purchased or fair value at date of the gift if donated. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Donated property and equipment are recorded as increases in net assets without donor restrictions at their estimated fair market value as of the date received. Contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

**Impairment of Long-Lived Assets**

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Deferred Revenue**

Deferred revenue represents advance payments received on exchange transactions. Revenue will be recognized over the periods to which conditions are substantially met.

The Organization had trade receivable balances as follows:

	<u>January 1, 2022</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>
Deferred Revenue	\$ 400	\$ 13,250	\$ 1,500

**Revenue Recognition**

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member.

Revenue from performance obligations satisfied at a point in time consists of the following:

- **Fee for service contracts, private pay and fiscal agent fee revenue** – recognized as performance obligations are met

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash and promises to give** – gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-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. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.
- **Federal and state contracts** – Federal and state contracts are conditional upon the incurrence of allowable qualifying expenses. Revenue is recorded as allowable qualifying expenses are incurred.
- **Contributed nonfinancial assets** – recognized either when the Organization provides donated goods to members or when a gift of in-kind service is performed on behalf of the Organization

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- **Special event revenue** – recognized equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions from the Organization's special events are included on the contributions line in the statement of activities. Total contributions from the special events were \$128,423 and \$95,901 for the years ended December 31, 2023 and 2022, respectively.

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Donated Goods and Services**

Donated goods and services meeting recognition criteria under U.S. GAAP are recorded as support and as expense, based on estimated fair values. The Organization does not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on the functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, salaries and related expenses are allocated to functional activities based on the time spent in each area. Expenses specifically identifiable with an activity are charged to that activity. Other expenses not specifically identifiable with functions are allocated to functional activities using percentages based on actual experience.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are classified as operating lease right-of-use (ROU) assets and current operating lease liabilities on the Organization's statements of financial position. Finance leases are included in finance lease right of use assets, finance lease liabilities, and finance lease liability, net of current portion on the Organization's statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a short-term basis.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to its leases.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization was incorporated under the nonprofit statutes of the State of Wisconsin and is not liable for Wisconsin income tax. Accordingly, no provision for income taxes has been provided.

The Organization has implemented accounting for uncertainty in income taxes in accordance with U.S. GAAP. This standard prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosures required. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

In management's opinion, the Organization has not taken any uncertain tax positions, and accordingly, has not reported a corresponding liability in the financial statements.

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Comparative Financial Information**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. 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.

**Recently Adopted Accounting Guidance – Allowance for Credit Losses**

In June 2016, the FASB issued guidance FASB ASC 326, *Financial Instruments – Credit Losses* (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model, that is referred to as the current expected credit loss ("CECL") methodology. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Organization has implemented the standard using the modified retrospective approach and has elected the practical expedient to not adjust the comparative periods presented in the financial statements. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (May 6, 2024). There were no subsequent events that required disclosure.

**2. Liquidity and Availability**

The following table reflects the Organization's financial assets, reduced by amounts that are not available to meet general expenditures and current contractual obligations within one year of the statement of financial position date because of contractual restrictions, certain donor restrictions, or internal board designations at December 31:

	<u>2023</u>	<u>2022</u>
Cash and equivalents	\$ 158,035	\$ 154,535
Investments	595,205	514,435
Greater Milwaukee Foundation investments	---	167,402
Trade receivables	559,869	460,903
Promises to give	---	20,000
	<hr/>	<hr/>
<b>Total financial assets</b>	1,313,109	1,317,275
<b>Less amounts not available to be used within one year for general expenditures:</b>		
Cash and equivalents	(29,830)	(12,206)
Assets pledged as collateral on line of credit	(50,000)	---
	<hr/>	<hr/>
<b>Financial assets available to meet general expenditures within one year</b>	<u>\$ 1,233,279</u>	<u>\$ 1,305,069</u>

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**2. Liquidity and Availability (Continued)**

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash, and shows positive cash generated by operations for the years ended December 31, 2023 and 2022. The Organization also has a line of credit available to meet immediate cash needs. See Note 7 for information on the line of credit.

**3. Investments**

The following summarizes the classification of investments by classification and method of valuation as of December 31, 2023 in accordance with U.S. GAAP:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income mutual funds	\$ 209,131	\$ 209,131	\$ ---	\$ ---
Equity mutual funds	340,777	340,777	---	---
Money market funds	<u>45,297</u>	<u>45,297</u>	<u>---</u>	<u>---</u>
<b>Total</b>	<b>\$ <u>595,205</u></b>	<b>\$ <u>595,205</u></b>	<b>\$ <u>---</u></b>	<b>\$ <u>---</u></b>

The following summarizes the classification of investments by classification and method of valuation as of December 31, 2022 in accordance with U.S. GAAP:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income mutual funds	\$ 276,011	\$ 276,011	\$ ---	\$ ---
Equity mutual funds	203,221	203,221	---	---
Money market funds	<u>35,203</u>	<u>35,203</u>	<u>---</u>	<u>---</u>
<b>Total</b>	<b>\$ <u>514,435</u></b>	<b>\$ <u>514,435</u></b>	<b>\$ <u>---</u></b>	<b>\$ <u>---</u></b>
Investments held by the Greater Milwaukee Foundation	<u>\$ 167,402</u>	<u>\$ ---</u>	<u>\$ 167,402</u>	<u>\$ ---</u>

Investment income (loss) is comprised of the following for the years ended December 31:

	<b>2023</b>	<b>2022</b>
Dividends and interest	\$ 16,217	\$ 9,328
Net realized gain	1,051	3,703
Net unrealized gain (loss)	83,025	(132,678)
Investment fees	<u>(6,889)</u>	<u>(7,945)</u>
<b>Total</b>	<b>\$ <u>93,404</u></b>	<b>\$ <u>(127,592)</u></b>

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**4. Greater Milwaukee Foundation Fund**

U.S. GAAP requires that if a community foundation accepts a contribution from an Agency and agrees to transfer those assets, the return on investment of those assets or both back to the Agency, then these contributions are presented as a liability (instead of as a net asset) on the financial statements of the community foundation and as an asset on the financial statements of the donor. As a result, assets transferred by the Organization to the Greater Milwaukee Foundation, a community foundation, for which the Organization, as donor, is the beneficiary of the transferred assets, have been reflected on the Organization's statement of financial position as an asset entitled "Greater Milwaukee Foundation - Investments." The Board of Trustees of the Greater Milwaukee Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

The Organization closed their Greater Milwaukee Foundation fund during the year ended December 31, 2023.

**5. Property and Equipment**

Property and equipment is comprised of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 35,673	\$ 35,673
Less: Accumulated depreciation	<u>(31,835)</u>	<u>(29,712)</u>
<b>Total</b>	<b>\$ <u>3,838</u></b>	<b>\$ <u>5,961</u></b>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$2,124 and \$2,123, respectively.

**6. Leases**

The Organization has an operating lease for office space in Greenfield, Wisconsin. The lease runs through June 30, 2025, with fixed monthly payments which increase each year. The Organization had a finance lease for a copy machine that ran through June 2023. A new finance lease for a copy machine was signed during 2023 and runs through May 2026. As of December 31, 2023 and 2022 the right of use asset recorded under the finance lease was \$2,957 and \$824, respectively and accumulated amortization associated with the finance lease was \$714 and \$1,236, respectively.

In the statement of functional expenses, operating office lease expenses is included in the occupancy line and copier finance lease expense is included in equipment rental and maintenance. The components of lease expense are as follows:

Operating lease cost	\$	<u>2023</u> 51,738
<b>Finance lease cost:</b>		
Amortization on right-of-use assets		1,228
Interest on lease liabilities		<u>77</u>
<b>Total finance lease costs</b>		<u>1,305</u>
<b>Total</b>	<b>\$</b>	<b><u>53,043</u></b>

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**6. Leases (Continued)**

The weighted average remaining lease term and weighted average discount rate as of December 31, 2023 are as follows:

	<b><u>Operating Leases</u></b>	<b><u>Finance Leases</u></b>
Weighted average remaining lease term	1.50 years	2.42 years
Weighted average discount rate	1.63%	3.98%

The weighted average remaining lease term and weighted average discount rate as of December 31, 2022 are as follows:

	<b><u>Operating Leases</u></b>	<b><u>Finance Leases</u></b>
Weighted average remaining lease term	2.50 years	0.67 years
Weighted average discount rate	1.63%	1.18%

The maturities on lease liabilities at December 31, 2023 are as follows:

	<b><u>Operating Leases</u></b>	<b><u>Finance Leases</u></b>
2024	\$ 52,773	\$ 1,296
2025	26,517	1,296
2026	---	540
<b>Total future minimum lease payments</b>	79,290	3,132
Less imputed interest	(910)	(141)
<b>Total</b>	\$ 78,380	\$ 2,991

**7. Line of Credit**

The Organization maintains a line of credit of \$300,000 with Associated Bank bearing interest at 1.100 percentage points over the prime rate published in The Wall Street Journal. At December 31, 2023, the line had an outstanding balance of \$50,000 and an interest rate of 9.60%. At December 31, 2022, there was no balance outstanding. Interest expense for the years ended December 31, 2023 and 2022 amounted to \$10,129 and \$0, respectively. The line of credit was secured by the assets of the Organization and expires January 23, 2028.

**8. Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to a concentration of credit risks include cash and equity securities. The Organization places its cash and deposits with credit-worthy, high-quality financial institutions and attempts to keep its various accounts under FDIC limits at all times.



**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Financial Statements**  
December 31, 2023 and 2022  
(Continued)

**9. Retirement Plan**

Effective October 2022, the Organization amended their 401(k) retirement plan with an incentive match of 50% for each employee dollar contributed up to 6% of pay. The plan is available to all employees over 21 years of age on their first day of employment.

Prior to the amendment, the Organization offered a 401(k) retirement plan with an incentive match of 50% for each employee dollar contributed up to 4% of pay. The plan had a six-year graded vesting schedule. The plan is available to all employees over 21 years of age who have been employed for at least six months.

Employer contributions for 2023 and 2022 were \$12,860 and \$9,505, respectively.

**10. Contributed Nonfinancial Assets**

Contributed nonfinancial assets of goods and services are recorded as revenue and expenses at their fair value. Contributed services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as contributed nonfinancial assets are offset by like amounts included as contributed nonfinancial asset expense. The statement of activities includes the following contributed nonfinancial services recognized by category for the years ended December 31:

<u>Type</u>	<u>2023</u>	<u>2022</u>	<u>Utilization in Activities</u>	<u>Donor Restrictions</u>
Donated goods	\$ ---	\$ 12,400	Fundraising	None
Printing services	---	4,670	Fundraising	None
Accounting services	---	5,000	Respite	None
Legal services	1,818	---	Fundraising	None
<b>Total</b>	<u>\$ 1,818</u>	<u>\$ 22,070</u>		

The Organization used the following valuation techniques and inputs to recognize contributed nonfinancial assets:

**Accounting, Legal and printing services** – Valued at the estimated fair value based on retail rates for similar services.

**Donated goods** – Valued at the estimated fair value based on retail rates for similar items.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in the furtherance of its exempt purpose. The values of these services are not recorded in the financial statements.

**11. Net Assets with Donor Restrictions**

The following schedule summarizes activity and balances related to net assets with donor restrictions, and the purposes to which they are restricted:

	<u>Restricted Balance</u> <u>01/01/23</u>	<u>Current Period</u> <u>Contributions</u>	<u>Expended or</u> <u>Released</u>	<u>Restricted Balance</u> <u>12/31/23</u>
<b>Subject to expenditure of specific purpose:</b>				
Greatest Needs Fund	\$ 9,706	\$ ---	\$ ---	\$ 9,706
Employment Services	10,000	---	(10,000)	---
Respite	5,000	---	(5,000)	---
Socialization programs	7,500	---	(7,500)	---
<b>Subject to passage of time:</b>				
Time restricted to use in future periods	---	20,124	---	20,124
<b>Total</b>	<u>\$ 32,206</u>	<u>\$ 20,124</u>	<u>\$ (22,500)</u>	<u>\$ 29,830</u>

**BROADSCOPE DISABILITY SERVICES, INC.**

Greenfield, Wisconsin

**Notes to Financial Statements**

December 31, 2023 and 2022

(Continued)

**12. Concentrations**

Approximately 69% and 66% of the Organization's support for the years ended December 31, 2023 and 2022 came from the CLTS Waiver program, respectively.

**13. Contingencies**

The Organization has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

**14. Reclassifications**

Certain reclassifications have been made to the 2022 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.



**INDEPENDENT AUDITORS' 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 AND THE WISCONSIN DHS AUDIT GUIDE**

Board of Directors  
Broadscope Disability Services, Inc.  
Greenfield, Wisconsin

We have audited, in accordance with the 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 *Wisconsin DHS Audit Guide*, the financial statements of Broadscope Disability Services, Inc. ("the Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 6, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

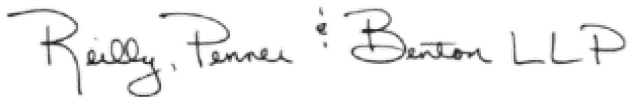
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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* or the *Wisconsin DHS Audit Guide*.

### 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* and the *Wisconsin DHS Audit Guide* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script: Riley, Penner & Benton LLP

May 6, 2024  
Milwaukee, Wisconsin

**BROADSCOPE DISABILITY SERVICES**

Greenfield, Wisconsin

**Schedule of Expenditures of Federal and State Awards and Fee-for-Service Contracts**

Year Ended December 31, 2023

<u>Contractor/Pass-Through Contractor/Program Title</u>	<u>Contract Number</u>	<u>Assistance Listing Number or CARS #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Fee-for-Service Revenue</u>	<u>Amounts Provided to Subrecipients</u>
<b>US Department of Health and Human Services</b>						
<b>Passed through Milwaukee County Department of Health and Human Services</b>						
Social Services Block Grant	40-22927-100	93.667	\$ 20,595	\$ ---	\$ ---	\$ ---
Temporary Assistance for Needy Families	40-22927-100	93.558	11,010	---	---	---
Total passed through US Department of Health and Human Services			31,605	---	---	---
<b>Wisconsin Department of Health Services</b>						
<b>Passed through Milwaukee County Department of Health and Human Services</b>						
Basic County Allocation - Employment Options	40-22927-100	435.561	---	118,395	---	---
Total passed through Milwaukee County Department of Health and Human Services			---	118,395	---	---
<b>Waukesha County Department of Health and Human Services</b>						
CLTS - Waiver Program	-	-	---	---	3,792,059	---
Respite	-	-	---	---	15,994	---
Total passed through Waukesha County Department of Health and Human Services			---	---	3,808,053	---
<b>Wisconsin Department of Health Services</b>						
IRIS	-	-	---	---	257,322	---
<b>My Choice Family Care</b>						
My Choice Family Care	-	-	---	---	240,192	---
<b>Independent Care Health Plan</b>						
iCare	-	-	---	---	19,578	---
<b>Community Care Inc.</b>						
Community Care	-	-	---	---	236,029	---
<b>Wisconsin Division of Vocational Rehabilitation</b>						
DVR	-	-	---	---	45,470	---
<b>Total expenditures</b>			<b>\$ 31,605</b>	<b>\$ 118,395</b>	<b>\$ 4,606,644</b>	<b>\$ ---</b>

See Independent Auditors' Report and  
Notes to Schedule of Expenditures of Federal and State Awards and  
Fee-for-Service Contracts

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Schedule of Federal and State Awards and Fee-for-Service Contracts**  
Year Ended December 31, 2023

**1. Basis of Presentation**

The accompanying "Schedule of Federal and State Awards and Fee-for-Service Contracts" ("Schedule") includes the government award and contract activity of the Organization under programs of the federal and state government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of the *Wisconsin DHS Audit Guide*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other agencies are included on the schedule.

**2. Summary of Significant Accounting Policies**

The Organization is considered a contractor and not a subrecipient in each of the fee-for-service contracts.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Broadscope Disability Services, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and the Wisconsin State Single Audit Guide.

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Notes to Schedule of Federal and State Awards and Fee-for-Service Contracts**  
Year Ended December 31, 2023

**1. Basis of Presentation**

The accompanying "Schedule of Federal and State Awards and Fee-for-Service Contracts" ("Schedule") includes the government award and contract activity of the Organization under programs of the federal and state government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of the *Wisconsin DHS Audit Guide*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other agencies are included on the schedule.

**2. Summary of Significant Accounting Policies**

The Organization is considered a contractor and not a subrecipient in each of the fee-for-service contracts.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Broadscope Disability Services, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and the Wisconsin State Single Audit Guide.

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Summary Schedule of Prior Audit Findings**  
Year Ended December 31, 2023

There were no prior year audit findings.



**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Schedule of Findings and Responses**  
Year Ended December 31, 2023

**Section I. Summary of Auditors' Results**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditors' report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: | Unmodified |
| 2. Internal control over financial reporting:  |            |
| A. Significant deficiency(ies) identified?   | None noted |
| B. Material weaknesses identified?   | No         |
| 3. Noncompliance material to financial statements?   | None noted |

**DHS Awards**

- |  |            |
|--|------------|
| 4. Internal control over major program:                          |            |
| A. Significant deficiency(ies) identified?                       | None noted |
| B. Material weaknesses identified?                               | No         |
| 5. Any audit findings disclosed that are required to be reported | None noted |
| 6. Identification of major DHS programs:                         |            |

Name of DHS Program

Milwaukee County Department of Health and Human Services – Employment Options

**Section II. Financial Statement Findings**

No matters were reported

**Section III. DHS Award Findings and Questioned Costs**

No matters were reported

**BROADSCOPE DISABILITY SERVICES, INC.**  
Greenfield, Wisconsin

**Schedule of Findings and Responses**  
Year Ended December 31, 2023  
(Continued)

**Section IV. Other Issues**

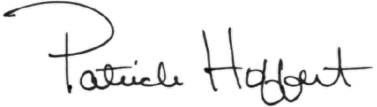
1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial 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 *Government Auditing Standards*:

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

  
\_\_\_\_\_  
Patrick G. Hoffert, CPA

5. Date of Report May 6, 2024

**BROADSCOPE DISABILITY SERVICES**  
Greenfield, Wisconsin

**Schedule of Revenues and Expenses by Program - Without Donor Restriction**

Year Ended December 31, 2023

With Summarized Totals For the Year Ended December 31, 2022

	Independent Living	Representative Payee	Respite Care	Employment	Total Program Services	Fundraising and Development	General and Administrative	2023 Total	2022 Total
<b>Public Support and Grant Revenue:</b>									
Milwaukee County grant	\$ ---	\$ ---	\$ ---	\$ 150,000	\$ 150,000	\$ ---	\$ ---	\$ 150,000	\$ 150,000
COP/CIP	---	---	3,792,059	---	3,792,059	---	---	3,792,059	2,912,333
Waukesha County	---	---	15,994	---	15,994	---	---	15,994	38,359
State of Wisconsin:									
Division of Vocational Rehabilitation	---	---	---	45,470	45,470	---	---	45,470	29,290
My Choice Family Care	43,965	1,600	149,742	44,885	240,192	---	---	240,192	235,667
Community Care	29,070	118,280	51,667	37,012	236,029	---	---	236,029	218,655
Independent Care Health Plan	---	---	16,131	3,447	19,578	---	---	19,578	15,335
IRIS	70,789	---	135,589	50,944	257,322	---	---	257,322	219,073
Other grants	17,000	---	24,000	---	41,000	---	---	41,000	45,497
Private pay	10,166	3,662	76	---	13,904	---	---	13,904	16,985
Contributions	---	---	---	---	---	285,131	---	285,131	169,077
Fiscal agent fee revenue	---	---	331,601	---	331,601	---	---	331,601	238,438
Contributed nonfinancial assets	---	---	---	---	---	1,818	---	1,818	22,070
Special events revenue	---	---	---	---	---	128,086	---	128,086	84,566
Less: Direct benefit to donor	---	---	---	---	---	(63,063)	---	(63,063)	(42,138)
<b>Public support and grant revenue:</b>	<b>170,990</b>	<b>123,542</b>	<b>4,516,859</b>	<b>331,758</b>	<b>5,143,149</b>	<b>351,972</b>	<b>---</b>	<b>5,495,121</b>	<b>4,353,207</b>
<b>Other Revenue</b>									
Investment income (loss), net	---	---	---	---	---	93,404	---	93,404	(127,592)
Other revenue	925	1,296	---	---	2,221	5,180	---	7,401	26,038
<b>Total other revenue</b>	<b>925</b>	<b>1,296</b>	<b>---</b>	<b>---</b>	<b>2,221</b>	<b>98,584</b>	<b>---</b>	<b>100,805</b>	<b>(101,554)</b>
Net assets released from restrictions	---	---	---	---	---	22,500	---	22,500	50,978
<b>Total revenue</b>	<b>171,915</b>	<b>124,838</b>	<b>4,516,859</b>	<b>331,758</b>	<b>5,145,370</b>	<b>473,056</b>	<b>---</b>	<b>5,618,426</b>	<b>4,302,631</b>
<b>Expenses:</b>									
Salaries and wages	165,353	78,435	161,084	228,486	633,358	95,219	46,352	774,929	741,766
Employee benefits	18,805	10,174	49,146	28,700	106,825	12,012	7,955	126,792	118,179
Payroll taxes	12,039	5,948	12,071	16,723	46,781	6,908	3,570	57,259	54,355
Amortization of right of use asset	246	135	221	368	970	160	98	1,228	1,236
Conferences and seminars	8,642	---	---	839	9,481	294	337	10,112	17,531
Contributed nonfinancial assets	---	---	---	---	---	1,818	---	1,818	22,070
Depreciation	425	233	382	637	1,677	276	170	2,123	2,124
Equipment rental and maintenance	690	381	682	1,107	2,860	4,770	276	7,906	13,019
Fiscal agent payroll taxes	---	---	314,960	---	314,960	---	---	314,960	263,377
Fiscal agent Quickbook fees	---	---	---	---	---	---	---	---	4,442
Fiscal agent salaries	---	---	3,360,426	---	3,360,426	---	---	3,360,426	2,583,969
Interest expense	---	---	---	23	23	---	10,129	10,152	---
Interest on financing right of use lease	15	8	14	---	37	10	7	54	16
License and fees	---	---	---	---	---	7,710	10,742	18,452	17,884
Marketing activities	---	---	---	---	---	---	---	---	451
Miscellaneous	120	66	108	180	474	105	468	1,047	5,898
Occupancy	12,660	6,963	11,394	18,989	50,006	8,229	5,064	63,299	64,279
Postage and shipping	494	271	3,241	740	4,746	4,359	213	9,318	8,110
Printing and publications	118	155	106	1,126	1,505	76	47	1,628	2,214
Professional fees	18,438	10,141	318,262	27,657	374,498	16,915	7,418	398,831	270,280
Repairs and maintenance	8,277	4,553	7,450	12,416	32,696	5,380	3,311	41,387	36,711
Special event	---	---	---	---	---	31,348	---	31,348	25,224
Specific assistance	---	---	282,803	---	282,803	---	---	282,803	305,435
Subscriptions and membership	120	66	108	180	474	78	521	1,073	1,172
Supplies	763	---	437	693	1,893	331	185	2,409	2,917
Telephone	1,572	1,305	1,790	4,535	9,202	1,142	629	10,973	14,995
Travel	9,961	55	30,924	15,062	56,002	224	133	56,359	28,751
<b>Expenses before allocation</b>	<b>258,738</b>	<b>118,889</b>	<b>4,555,609</b>	<b>358,461</b>	<b>5,291,697</b>	<b>197,364</b>	<b>97,625</b>	<b>5,586,686</b>	<b>4,606,405</b>
<b>Allocation:</b>									
Administration	21,477	11,715	18,549	32,216	83,957	13,668	(97,625)	---	---
<b>Total expenses</b>	<b>280,215</b>	<b>130,604</b>	<b>4,574,158</b>	<b>390,677</b>	<b>5,375,654</b>	<b>211,032</b>	<b>---</b>	<b>5,586,686</b>	<b>4,606,405</b>
<b>Change in net assets</b>	<b>\$ (108,300)</b>	<b>\$ (5,766)</b>	<b>\$ (57,299)</b>	<b>\$ (58,919)</b>	<b>\$ (230,284)</b>	<b>\$ 262,024</b>	<b>\$ ---</b>	<b>\$ 31,740</b>	<b>\$ (303,774)</b>

See Independent Auditors' Report

## BROADSCOPE DISABILITY SERVICES

Greenfield, Wisconsin

### DHS Cost Reimbursement Award Schedule

For the Audit Period Ended December 31, 2023

	<u>Employment Options</u>
<b>Award amount</b>	\$ 150,000
<b>Award period</b>	1/1/2023 - 12/31/2023
<b>Period of award within audit period</b>	1/1/2023 - 12/31/2023
<b>A. Expenditures reported to DHS or revenue received</b>	<b>\$ 150,000</b>
<b>B. Total operating costs of award</b>	
Salaries	228,486
Employee benefits	26,255
Payroll taxes	19,168
Professional fees	27,458
Supplies	693
Telephone	4,535
Postage and shipping	740
Occupancy	31,406
Equipment costs	1,744
Printing and Publications	1,999
Employee travel	15,062
Conferences, conventions, meetings	717
Allocated administrative costs	32,198
<b>Total Operating Costs of Award</b>	<u>390,461</u>
<b>C. Less disallowed costs</b>	---
<b>D. Less program revenue and other offsets to costs</b>	<u>(181,758)</u>
<b>E. Total allowable costs</b>	<u>208,703</u>
<b>F. Gain or (Loss) = Line A - Line E</b>	<u><u>\$ (58,703)</u></u>

See Independent Auditors' Report