

**ADVOCAP, INC.**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2020 AND 2019**

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# ADVOCAP, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management  
ADVOCAP, Inc.  
Fond du Lac, Wisconsin

We have audited the accompanying financial statements of ADVOCAP, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility 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; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 and the *Wisconsin Department of Administration Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ADVOCAP, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page 32, pages 42 through 53, and pages 54 through 57, as listed in the table of contents, and the accompanying *Schedule of Expenditures of Federal and State Awards*, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State Single Audit Guidelines* issued by the Wisconsin Department of Administration, is presented for purposes of additional analysis and is 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* and the *Wisconsin Department of Administration Audit Guide*, we have also issued our report dated April 22, 2021 on our consideration of ADVOCAP, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ADVOCAP, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Wisconsin Department of Administration Audit Guide* in considering ADVOCAP, Inc.'s internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP



Green Bay, Wisconsin  
April 22, 2021

## **FINANCIAL STATEMENTS**

**ADVOCAP, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

<u>ASSETS</u>	DECEMBER 31,	
	2020	2019
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,500,511	\$ 975,659
Beneficial interest in community foundations	64,921	59,410
Accounts receivable:		
Funding sources and programs	1,484,953	1,316,777
Other	124,965	3,525
Inventory	317,744	356,602
Prepaid expenses	62,879	66,114
<b>TOTAL CURRENT ASSETS</b>	<b>3,555,973</b>	<b>2,778,087</b>
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment, at cost	9,360,149	8,754,565
Less: accumulated depreciation	6,411,660	6,082,304
<b>NET PROPERTY AND EQUIPMENT</b>	<b>2,948,489</b>	<b>2,672,261</b>
<b>OTHER ASSETS</b>		
Investment in subsidiary	11,215	11,197
Loans receivable:		
Housing loans	7,584,920	7,851,839
Allowance for loan losses, housing loans	(1,753,231)	(2,248,029)
Low-income entrepreneurs	306,509	352,269
Allowance for loan losses, low-income entrepreneurs	(17,204)	(15,413)
Auto loans	288,903	297,726
Allowance for loan losses, auto loans	(20,000)	(10,000)
<b>TOTAL OTHER ASSETS</b>	<b>6,401,112</b>	<b>6,239,589</b>
<b>TOTAL ASSETS</b>	<b>\$ 12,905,574</b>	<b>\$ 11,689,937</b>

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
STATEMENTS OF FINANCIAL POSITION - Continued

<u>LIABILITIES AND NET ASSETS</u>	DECEMBER 31,	
	2020	2019
<b>CURRENT LIABILITIES</b>		
Current maturities:		
Long-term obligations	\$ 207,499	\$ 404,660
Accounts payable	237,688	249,912
Accrued liabilities:		
Payroll and payroll taxes	190,607	89,219
Other	95,105	87,758
Deferred revenue	111,961	17,736
Program advances	467,294	453,806
 TOTAL CURRENT LIABILITIES	 1,310,154	 1,303,091
 <b>NONCURRENT LIABILITIES</b>		
Long-term obligations	1,074,871	835,982
Deferred loans payable	242,470	227,470
 TOTAL NONCURRENT LIABILITIES	 1,317,341	 1,063,452
 TOTAL LIABILITIES	 2,627,495	 2,366,543
 <b>NET ASSETS</b>		
Without donor restrictions	920,132	522,628
With donor restrictions	9,357,947	8,800,766
 TOTAL NET ASSETS	 10,278,079	 9,323,394
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 12,905,574</b>	 <b>\$ 11,689,937</b>

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31,

	2020			2019		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE						
Government awards	\$ -	\$ 11,181,189	\$ 11,181,189	\$ -	\$ 10,860,135	\$ 10,860,135
Program	-	257,855	257,855	-	265,651	265,651
Other services	412,327	-	412,327	302,460	-	302,460
Corporate funds	208,188	-	208,188	83,445	-	83,445
Interest income	4,990	54,390	59,380	12,481	55,645	68,126
Change in beneficial interests	5,511	-	5,511	9,084	-	9,084
Contributions	23,876	348,197	372,073	12,304	376,108	388,412
Commodities	-	1,310,413	1,310,413	-	1,068,898	1,068,898
In-kind donations	157,263	-	157,263	250,782	-	250,782
Gain on disposal of property and equipment	-	-	-	3,505	-	3,505
Net assets released from restriction	12,594,863	(12,594,863)	-	12,410,542	(12,410,542)	-
<b>TOTAL REVENUE</b>	<b>13,407,018</b>	<b>557,181</b>	<b>13,964,199</b>	<b>13,084,603</b>	<b>215,895</b>	<b>13,300,498</b>
EXPENSES						
Program	11,647,843	-	11,647,843	11,978,767	-	11,978,767
Management and general	1,361,671	-	1,361,671	1,275,667	-	1,275,667
<b>TOTAL EXPENSES</b>	<b>13,009,514</b>	<b>-</b>	<b>13,009,514</b>	<b>13,254,434</b>	<b>-</b>	<b>13,254,434</b>
CHANGE IN NET ASSETS	397,504	557,181	954,685	(169,831)	215,895	46,064
NET ASSETS AT BEGINNING OF YEAR	522,628	8,800,766	9,323,394	692,459	8,584,871	9,277,330
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 920,132</b>	<b>\$ 9,357,947</b>	<b>\$ 10,278,079</b>	<b>\$ 522,628</b>	<b>\$ 8,800,766</b>	<b>\$ 9,323,394</b>

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Personnel	\$ 6,399,108	\$ 1,164,769	\$ 7,563,877
Professional services	2,339	83,900	86,239
Office operations	328,815	35,411	364,226
Facilities	617,223	70,566	687,789
Travel	49,774	1,001	50,775
Training and development	45,463	354	45,817
Participant expenses	871,554	1,127	872,681
Subcontractors	1,048,863	-	1,048,863
Program materials	1,078,892	-	1,078,892
Vehicle operation	145,467	-	145,467
Tools and equipment	(405)	2,570	2,165
Provision (credit) for loan losses	(402,872)	-	(402,872)
Miscellaneous	7,446	1,973	9,419
Commodities	1,310,413	-	1,310,413
In-kind	145,763	-	145,763
<b>TOTAL EXPENSES</b>	<b><u>\$ 11,647,843</u></b>	<b><u>\$ 1,361,671</u></b>	<b><u>\$ 13,009,514</u></b>

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

**ADVOCAP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Personnel	\$ 5,975,987	\$ 1,057,077	\$ 7,033,064
Professional services	1,753	89,744	91,497
Office operations	318,086	35,499	353,585
Facilities	619,149	73,685	692,834
Travel	81,542	4,725	86,267
Training and development	79,667	3,734	83,401
Participant expenses	657,764	5,441	663,205
Subcontractors	1,451,245	-	1,451,245
Program materials	1,051,131	-	1,051,131
Vehicle operation	192,184	-	192,184
Tools and equipment	72,695	1,780	74,475
Provision (credit) for loan losses	169,223	-	169,223
Miscellaneous	(11,339)	3,982	(7,357)
Commodities	1,068,898	-	1,068,898
In-kind	250,782	-	250,782
	<u>250,782</u>	<u>-</u>	<u>250,782</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 11,978,767</u></b>	<b><u>\$ 1,275,667</u></b>	<b><u>\$ 13,254,434</u></b>

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

**ADVOCAP, INC.**  
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 954,685	\$ 46,064
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	323,238	321,713
Change in value in beneficial interest in community foundations	(5,511)	(9,084)
Provision for loan loss - housing loans	(478,106)	142,622
Provision for loan loss - low-income entrepreneurs	39,382	(1,245)
Provision for loan loss - auto loans	35,853	27,845
Equity in net (gain) loss of subsidiary	(18)	89
Non-cash donation of property and equipment	(11,500)	-
(Gain) loss on disposal of property and equipment	-	(3,505)
Change in assets and liabilities:		
(Increase) decrease in operating assets		
Accounts receivable	(289,616)	(199,242)
Inventory	38,858	55,346
Prepaid expenses	3,235	9,939
Assets held for resale	-	162,209
Increase (decrease) in operating liabilities		
Accounts payable	(12,224)	22,255
Accrued liabilities	108,735	(3,898)
Deferred revenue	94,225	1,534
Program advances	13,488	(40,255)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>814,724</b>	<b>532,387</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(588,266)	(241,233)
Proceeds from sale of property and equipment	300	3,505
Housing loans issued	(124,582)	(270,544)
Collection and recoveries of housing loans	374,809	319,940
Loans to low-income entrepreneurs issued	(94,000)	(88,002)
Collection of loans to low-income entrepreneurs	102,169	121,632
Auto loans issued	(101,745)	(116,391)
Collection of auto loans	84,715	83,580
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(346,600)</b>	<b>(187,513)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	-	148,000
Repayment of line of credit	-	(148,000)
Repayment of construction loans	-	(98,931)
Proceeds from long-term debt	235,000	80,000
Repayment of long-term debt	(178,272)	(245,262)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>56,728</b>	<b>(264,193)</b>

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
STATEMENTS OF CASH FLOWS - Continued

	YEAR ENDED DECEMBER 31,	
	2020	2019
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	524,852	80,681
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	975,659	894,978
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,500,511</b>	<b>\$ 975,659</b>
 <u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	\$ 49,467	\$ 47,886

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

**NOTE 1 - Nature of Organization and Significant Accounting Policies**

**Nature of Organization** - ADVOCAP, Inc. (the "Organization"), a community action agency, is organized under the laws of the State of Wisconsin as a nonprofit corporation. The Organization is organized exclusively for charitable purposes; its mission is to create opportunities for people and communities to reduce poverty and increase self-sufficiency. The Organization's support comes primarily from federal and state government awards.

**Basis of Accounting** - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation** - The accompanying financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board (FASB).

The Organization is required to report information regarding its net assets and its activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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 the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources 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.

**Recent Accounting Pronouncements** - In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (Topic 842) effective for annual reporting periods beginning after December 15, 2019. ASU 2020-05 subsequently deferred the effective date for ASU 2016-02 until annual reporting periods beginning after December 15, 2021. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the statements of financial position, the new ASU will require both types of leases to be recognized on the statements of financial position. The ASU will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements providing additional information about the amounts recorded in the financial statements. The Organization is currently evaluating the impact this guidance will have on the financial statements.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued**

**Recent Accounting Pronouncements, continued** - In September 2020, the FASB issued Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) effective for annual reporting periods beginning after June 15, 2021. Under the new guidance, gifts-in-kind will be required to be presented as a separate line item on the statements of activities and additional disclosures will be required. The Organization is currently evaluating the impact this guidance will have on the financial statements.

**Cash and Cash Equivalents** - The Organization's cash and cash equivalents consists of cash on deposit with financial institutions. For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Grants Receivable/Accounts Receivable** - Grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge of the valuation allowance and a credit to accounts receivable. Management believes all receivables are collectible; accordingly, no allowance as been recorded.

**Inventory** - Inventory is stated at the lower of cost or net realizable value determined by the first-in, first-out method.

**Assets Held For Resale** - Assets held for resale consists of Fresh Start houses. The Organization anticipates these houses will be sold within one year.

**Property and Equipment -**

Nongrant award property and equipment - All acquisitions of property and equipment in excess of \$2,500 purchased with nongrant funds are generally capitalized, while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is recorded and is carried at cost. Donated property and equipment is recorded at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Buildings and improvements	10-30 years
Vehicles	5 years
Equipment	3-15 years

Grant award equipment - For internal purposes, in accordance with grant award budgets approved by funding sources, equipment purchased with grant award funds is charged to expense in the period of purchase instead of being capitalized as an asset and depreciated over its useful life. As a result, the equipment expenses reflected in the *Supplemental Schedule of Expenditures of Federal and State Awards and Other Financial Assistance* include the cost of equipment purchased or leased during the year, while in the financial statements, it is shown in accordance with U.S. GAAP.

The equipment acquired is owned by the Organization while used in the program for which it was purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the equipment purchased with grant funds and, therefore, its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued**

**Valuation of Long-Lived Assets** - U.S. GAAP requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management reviews all material assets annually for possible impairment. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No assets are considered to be impaired at December 31, 2020 and 2019.

**Loans Receivable** - The Organization grants loans to individuals and small businesses. Loans receivable are stated at unpaid principal balances, less an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple interest method on principal amounts outstanding.

**Allowance for Loan Losses** - The allowance for loan losses is maintained at a level which, in management's judgment, is adequate to absorb potential losses inherent in the loan portfolio. The amount of the allowance is based on management's evaluation of the collectability of the loan portfolio, including the nature of the portfolio, credit concentrations, and trends in historical loss experience, specific impaired loans, and economic conditions. The allowance is generally determined based on historical losses. The allowance is increased by a provision for loan losses, which is charged to expense and reduced by charge-offs, net of recoveries. Because of uncertainties inherent in the estimation process, management's estimate of credit losses inherent in the loan portfolio and the related allowance may change in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

**Deferred Revenue** - Payments received during the year for future services are deferred and recognized as income when the performance obligations are met.

**Grant Awards/Program Advances** - Grants are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as unearned revenue.

**Contribution Recognition** - Contributions are recognized when received or unconditionally pledged. Conditional contributions and promises to give, are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued**

**Grant Recognition** - Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant awards that are contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant awards that are exchange transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

**In-Kind Contributions** - The Organization records the value of donated goods when there is an objective basis to measure the value. Donated goods are reflected as in-kind donation revenue in the accompanying statements of activities.

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills that are performed by people with those skills and would otherwise be purchased by the Organization.

Numerous volunteers have donated significant amounts of time to the Organization, the value of these donated services is not recognized in the accompanying financial statements because they do not meet the criteria for recognition.

**Purchase of Service Contracts** - Revenue received under purchase of service contracts with government agencies can be subsequently adjusted upon review of the Organization's audited financial statements by the government agency. Historically, such adjustments have been immaterial and are recorded in the year of adjustment.

**Functional Allocation of Expenses** - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting activities benefited. Those expenses include shared staff, office operating, space, travel, training, and other, which are allocated on management estimates.

**Advertising Costs** - Advertising costs are expensed as incurred and totaled \$11,268 and \$17,430 for the years ended December 31, 2020 and 2019, respectively.

**Use of Estimates** - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued**

**Tax Status** - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRS). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is also exempt from state taxation. The Organization has also been granted exemption from property taxes in six local municipalities.

**Accounting for Uncertainty in Income Taxes** - U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax period. The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

**Reclassifications** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation of current year's financial statements.

**Subsequent Events** - The Organization evaluated subsequent events through April 22, 2021, the date which the financial statements were available to be issued.

**NOTE 2 - Concentration of Cash and Credit Risk**

The Organization may have deposits with a financial institution at times during the year that exceed the Federal Deposit Insurance Corporation (FDIC) insurance threshold of \$250,000. The amount of the accounting loss that the Organization would have incurred had the financial institution not been able to return monies in excess of \$250,000 amounted to \$929,624 and \$808,881 as of December 31, 2020 and 2019, respectively. The Organization has sufficient collateral in place to eliminate this credit risk.

**NOTE 3 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,500,511	\$ 975,659
Accounts receivable	<u>1,609,918</u>	<u>1,320,302</u>
Total financial assets available within one year	3,110,429	2,295,961
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>2,702,899</u>	<u>2,159,934</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 388,597</u>	<u>\$ 136,027</u>

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 3 - Liquidity and Availability - Continued**

*Liquidity Management*

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$450,000, which it could draw upon.

**NOTE 4 - Beneficial Interest in Community Foundations**

In 2005, the Organization transferred \$7,500 to the Oshkosh Area Community Foundation and \$10,000 to the Community Foundation for the Fox Valley Region, Inc. In 2006, the Organization transferred \$10,000 to the Fond du Lac Area Foundation. The balance of these funds were \$64,921 and \$59,410 as of December 31, 2020 and 2019, respectively.

The Foundations are to distribute the funds to the Organization as the Organization requests the funds. The Foundations have variance powers over the funds. The Foundations have power to modify any restriction or condition on the distribution of funds if, in their sole judgment, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or become inconsistent with the charitable needs of the Organization or the Foundation. The beneficial interests are recognized in the accompanying statements of financial position and are valued at fair market value.

**NOTE 5 - Fair Value Measurements**

The Organization has determined the fair value of certain assets and liabilities in accordance with the provisions of U.S. GAAP, which provides a framework for measuring fair value under generally accepted accounting principles.

U.S. GAAP defines fair value as the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. U.S. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets that the reporting organization has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset. Level 3 inputs are unobservable inputs related to the asset.

The asset's fair value measurement within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2020 and 2019.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 5 - Fair Value Measurements - Continued**

*Beneficial interest in Community Foundations:* Investments held with a community foundation are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or asking price for over-the-counter securities not listed on a securities exchange, or at cost or obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market. The custodian of the investments in the community foundation also has the ability to determine the fair value of securities not listed or traded on any exchange or on the over-the-counter market based on available information.

The methods described above may produce a fair value calculation that may be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy the Organization's assets at fair value on a recurring basis as of December 31, 2020 and 2019:

	<u>FAIR VALUE</u>	<u>QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)</u>	<u>SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)</u>	<u>SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)</u>
<u>December 31, 2020</u>				
Beneficial interest in Community Foundations	\$ 64,921	\$ -	\$ -	\$ 64,921
<u>December 31, 2019</u>				
Beneficial interest in Community Foundations	\$ 59,410	\$ -	\$ -	\$ 59,410

The following is a reconciliation of activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) as of December 31:

**Beneficial interest in Community Foundations**

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 59,410	\$ 50,326
Investment return	5,511	9,084
Balance, end of year	<u>\$ 64,921</u>	<u>\$ 59,410</u>

**NOTE 6 - Inventory**

Inventory consists of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Jobs in progress – Weatherization	\$ 133,799	\$ 177,645
Jobs in progress – Housing Rehab	131,352	134,795
Material inventory	52,593	44,162
<b>TOTAL INVENTORY</b>	<b><u>\$ 317,744</u></b>	<b><u>\$ 356,602</u></b>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 7 - Contract Conditions - Nonfederal Share**

Head Start Program

Included in the Head Start Program contract conditions is a provision that the Full-Year, Part-Day Head Start Programs receive a nonfederal share equal to 25% of the total federal expenditures. Due to COVID, this requirement was waived in 2020.

	December 31, 2020		
	Federal Expenditures	Non Federal Required	Non Federal Received
Full-Year and Part-Day Head Start	\$ 2,718,076	\$ 450,506	\$ 450,506

	December 31, 2019		
	Federal Expenditures	Non Federal Required	Non Federal Received
Full-Year and Part-Day Head Start	\$ 2,707,564	\$ 676,891	\$ 676,891

WISCAP Jobs and Business Development Program

Included in the WISCAP Jobs and Business Development Program contract conditions is a provision that the Organization obtain a cash match with a combination of nonfederal and nonstate funds. The Organization satisfied this requirement as follows:

	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/20 – 12/31/20	\$ 22,000	\$ 22,000	\$ 22,000

	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/19 – 12/31/19	\$ 23,000	\$ 23,000	\$ 23,000

The match funds for 2020 and 2019 consisted of \$22,000 and \$23,000 of loan funds, respectively.

Winnebago County Nutrition Program

Included in the Winnebago County Nutrition Program contract conditions is a provision that the Organization meet in-kind matching requirements. The Organization met the requirements for 2020 and 2019 as follows:

	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/20 – 12/31/20	\$ 1,246,094	\$ 143,000	\$ 143,000

	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/19 – 12/31/19	\$ 1,240,857	\$ 140,000	\$ 140,000

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 7 - Contract Conditions - Nonfederal Share - Continued**

SBA Microloan Grant Program

Included in the U.S. Small Business Administration (SBA) Microloan Grant Program contract conditions is a provision that the Organization obtain a nonfederal share equal to 25% of total expenditures and a provision that the Organization maintain a loan loss reserve equal to 15% of the principal balance of loans granted to borrowers by the Organization. The loan loss reserve funds are required to be segregated in a bank account separate from the Organization's other cash accounts. The contract requirements were satisfied as follows for 2020:

	<u>Total Federal Contract</u>	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
SBA Technical Assistance SBAHQ-19-Y-0129	\$ 35,992	\$ 19,733	\$ 7,199	\$ 3,134
SBA Technical Assistance SBAHQ-18-Y-0005	\$ 43,526	\$ 21,425	\$ 8,706	\$ 5,355
Principal balance of loans to borrowers				\$ 152,755
Loan loss reserve required				\$ 22,913
Loan loss reserve maintained				\$ 43,885

WETAP Auto Loan Program

Included in the WETAP Auto Loan Program contract conditions is a provision that the Organization receive a nonfederal share equal to 85% of the total federal expenditures. Due to COVID, this requirement was waived in 2020.

	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
Contract period 01/01/20 – 12/31/20	\$ 164,717	\$ 68,673	\$ 68,673

Program for Investment in Microentrepreneurs (PRIME)

Included in the Program for Investment in Microentrepreneurs contract conditions is a provision that the Organization provide matching support from nonfederal sources at the rate of 50%:

	<u>Total Federal Contract</u>	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
PRIME SBAHQ19PR0001	\$ 128,694	\$ 100,359	\$ 64,482	\$ 64,482
PRIME SBAOCAPR200004	\$ 188,000	\$ 52,549	\$ 94,000	\$ 28,411

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8 - Property and Equipment**

A summary of property and equipment is as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 676,887	\$ 603,554
Buildings	1,105,167	928,500
Rental properties	1,731,759	1,731,759
Donated building	15,813	15,813
Building improvements	3,717,665	3,331,718
Building improvements – transitional housing project	182,838	182,838
Vehicles	1,157,016	1,227,124
Equipment	<u>773,004</u>	<u>733,259</u>
	\$ 9,360,149	\$ 8,754,565
Less: accumulated depreciation	<u>(6,411,660)</u>	<u>(6,082,304)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<b><u>\$ 2,948,489</u></b>	<b><u>\$ 2,672,261</u></b>

Depreciation expense amounted to \$323,238 and \$321,713 for the years ended December 31, 2020 and 2019, respectively.

Included in the summary of property and equipment is the appraised value of a residence in Oshkosh, Wisconsin, donated to the Organization in 1987. The value of the building was based on an appraisal. Also included in the summary of property and equipment is the cost of moving and renovating three single family homes and one duplex. These houses were donated to the Organization during 1990 and were moved at the Organization's expense to lots purchased by the Organization. The capitalized value represents the cost of purchasing land, moving, and rehabilitating the houses. The housing project moving costs represent costs incurred which were necessary in order to relocate the homes to their present location and to renovate them to a livable condition. The Organization is renting the houses to low income families.

**NOTE 9 - Investment in Subsidiary**

The financial statements include the Organization's investment in one wholly-owned subsidiary (Community Opportunity Enterprises, Inc.) carried on the equity method. The financial statement of the subsidiary has not been consolidated because of immateriality. The investment in subsidiary totaled \$11,215 and \$11,197 as of December 31, 2020 and 2019, respectively.

**NOTE 10 - Loans Receivable - Housing Loans**

The Organization received a grant from the State of Wisconsin – Department of Local Affairs and Development to make non-interest bearing deferred payment loans to income eligible applicants for home improvements under the Housing Revolving Loan Fund. The grant ended on June 30, 1981. All funds were either loaned to eligible applicants or spent for administrative costs. The loans are to be repaid to the Organization either when ownership of the property is transferred or when the property ceases to be the applicant's principal residence. Repayments of deferred loans are to be used for making additional deferred payment loans or to support housing-related activities (if the Organization is no longer sponsoring the deferred payment loan program).

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 10 - Loans Receivable - Housing Loans - Continued**

The Organization's Home Ownership Program began in 1991 and has received Housing Cost Reduction Initiative (HCRI) grants from the State of Wisconsin, Department of Administration, and Division of Housing in order to provide down-payment assistance to eligible new home buyers. The current HCRI grants ended on September 30, 2018. The Organization administers the funds by making a deferred non-interest bearing loan which is to be repaid to the Organization at the end of a 15-year period or when the home ceases to be the borrower's principal residence. Repaid loans are to be used to promote affordable housing programs for low to moderate-income people.

In addition, the Organization's Home Ownership Program has received federal HOME Homebuyer and rehabilitation funds from the State of Wisconsin, Department of Administration, and Division of Housing in order to provide rehabilitation funds to eligible project homeowners. The current HOME grants ended on December 31, 2018. The Organization administers the funds by making a deferred non-interest bearing loan, which is to be repaid to the Organization when the subject property ceases to be the loan recipient's principal place of residence. Repaid loans are used to promote affordable housing programs for low to moderate-income people.

A summary of the loan program since inception is as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Loans issued	\$ 15,094,366	\$ 14,969,786
Loans repaid	(5,470,563)	(5,095,755)
Loans defaulted	<u>(2,038,883)</u>	<u>(2,022,192)</u>
Loans outstanding	7,584,920	7,851,839
Less: allowance for loan losses	<u>(1,753,231)</u>	<u>(2,248,029)</u>
<b>LOANS RECEIVABLE, NET</b>	<b><u>\$ 5,831,689</u></b>	<b><u>\$ 5,603,810</u></b>

The following table presents the changes in the allowance for loan losses for the year ended December 31:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 2,248,029	\$ 2,339,950
Provision (credit) for loan losses	(478,107)	142,623
Loans charged-off	(16,691)	(234,544)
Recoveries	<u>-</u>	<u>-</u>
<b>Balance, end of year</b>	<b><u>\$ 1,753,231</u></b>	<b><u>\$ 2,248,029</u></b>

Detail of the loan programs since inception is as follows:

	<u>DECEMBER 31, 2020</u>				
	<u>Housing Revolving Loan Fund</u>	<u>Buyer Downpayment Assistance</u>	<u>Owner Rehabilitation Assistance</u>	<u>Other</u>	<u>Brookside Senior Village</u>
Loans issued	\$ 222,793	\$ 2,373,536	\$ 9,986,695	\$ 271,469	\$ 192,000
Loans repaid	(149,670)	(1,140,500)	(3,957,964)	(100,211)	-
Loans defaulted	<u>(63,123)</u>	<u>(240,363)</u>	<u>(1,645,450)</u>	<u>(89,947)</u>	<u>-</u>
Loans outstanding	<u>\$ 10,000</u>	<u>\$ 992,673</u>	<u>\$ 4,383,281</u>	<u>\$ 81,311</u>	<u>\$ 192,000</u>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 10 - Loans Receivable - Housing Loans - Continued**

DECEMBER 31, 2020 - Continued					
	Berlin Senior Village	Riverside Senior, LLC	Marion Manor	Jefferson Street Apartments, LLC	Total
Loans issued	\$ 596,777	\$ 447,603	\$ 459,872	\$ 543,621	\$ 15,094,366
Loans repaid	(52,241)	-	(69,977)	-	(5,470,563)
Loans defaulted	-	-	-	-	(2,038,883)
Loans outstanding	<u>\$ 544,536</u>	<u>\$ 447,603</u>	<u>\$ 389,895</u>	<u>\$ 543,621</u>	7,584,920
Less: allowance for loan losses					(1,753,231)
<b>LOANS RECEIVABLE, NET</b>					<b><u>\$ 5,831,689</u></b>

DECEMBER 31, 2019					
	Housing Revolving Loan Fund	Buyer Downpayment Assistance	Owner Rehabilitation Assistance	Other	Brookside Senior Village
Loans issued	\$ 222,793	\$ 2,322,460	\$ 9,963,760	\$ 271,469	\$ 192,000
Loans repaid	(149,670)	(1,033,617)	(3,720,789)	(99,811)	-
Loans defaulted	(63,123)	(240,363)	(1,628,759)	(89,947)	-
Loans outstanding	<u>\$ 10,000</u>	<u>\$ 1,048,480</u>	<u>\$ 4,614,212</u>	<u>\$ 81,711</u>	<u>\$ 192,000</u>

DECEMBER 31, 2019 - Continued					
	Berlin Senior Village	Riverside Senior, LLC	Marion Manor	Jefferson Street Apartments, LLC	Total
Loans issued	\$ 583,242	\$ 438,054	\$ 448,220	\$ 527,788	\$ 14,969,786
Loans repaid	(30,765)	-	(61,103)	-	(5,095,755)
Loans defaulted	-	-	-	-	(2,022,192)
Loans outstanding	<u>\$ 552,477</u>	<u>\$ 438,054</u>	<u>\$ 387,117</u>	<u>\$ 527,788</u>	7,851,839
Less: allowance for loan losses					(2,248,029)
<b>LOANS RECEIVABLE, NET</b>					<b><u>\$ 5,603,810</u></b>

The Organization has an established methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the Organization's portfolio. For purposes of determining the allowance for loan losses, the Organization segments certain loans in its portfolio by loan type. The Organization's housing loans are segmented into the following pools: housing revolving loan fund, buyer down payment assistance, owner rehabilitation assistance, and other housing loan portfolios. The Organization also considers these segments to be classes of loans receivable based on the associated risks within those segments. Each class of loan requires significant judgment to determine the estimation method that fits the credit risk characteristics of its portfolio segment. The Organization uses internally developed models in this process. Management must use judgment in establishing additional input metrics for the modeling processes.

A historical loss percentage is applied to each class of loans. The same historical loss percentage time frames are used for all classes. These time frames are based on historical loss experience modeling and other quantitative techniques over the loss emergence period. As of December 31, 2020 and 2019, the historical loss time frame for each class was ten years.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 10 - Loans Receivable - Housing Loans - Continued**

The total allowance for home ownership program loans reflects management's estimate of loan losses inherent in the loan portfolio at the balance sheet date. The Organization considers the allowance for home ownership program loan losses of \$1,753,231 and \$2,248,029 adequate to cover loan losses inherent in the home ownership program loan portfolio, as of December 31, 2020 and 2019, respectively.

The following tables present the changes in the allowance for loan losses for buyer down payment assistance, owner rehabilitation assistance, and other loan programs. As of December 31, 2020 and 2019, there is no allowance associated with any other housing loan programs.

	DECEMBER 31, 2020				
	Buyer Downpayment Assistance	Owner Rehabilitation Assistance	Marion Manor	Other	Total
Balance, beginning of year	\$ 274,583	\$ 1,919,536	\$ -	\$ 53,910	\$ 2,248,029
Provision (credit) for loan losses	(94,411)	(421,926)	38,473	(243)	(478,107)
Loans charged-off	-	(16,691)	-	-	(16,691)
Recoveries	-	-	-	-	-
<b>Balance, end of year</b>	<b><u>\$ 180,172</u></b>	<b><u>\$ 1,480,919</u></b>	<b><u>\$ 38,473</u></b>	<b><u>\$ 53,667</u></b>	<b><u>\$ 1,753,231</u></b>

	DECEMBER 31, 2019				
	Buyer Downpayment Assistance	Owner Rehabilitation Assistance	Marion Manor	Other	Total
Balance, beginning of year	\$ 263,038	\$ 2,013,206	\$ -	\$ 63,706	\$ 2,339,950
Provision (credit) for loan losses	51,977	87,913	-	2,733	142,623
Loans charged-off	(40,432)	(181,583)	-	(12,529)	(234,544)
Recoveries	-	-	-	-	-
<b>Balance, end of year</b>	<b><u>\$ 274,583</u></b>	<b><u>\$ 1,919,536</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 53,910</u></b>	<b><u>\$ 2,248,029</u></b>

The Organization does not have any home ownership program loans that are considered past due as payments are not contractually due until ownership of the property is transferred. The Organization does not have any loans that are considered impaired. In addition, all home ownership program loans are non-interest bearing and as such there are no loans that are considered to be in non-accrual status.

**NOTE 11 - Loans Receivable - Low-Income Entrepreneurs**

The Organization received funding from the U.S. Small Business Administration (SBA) under the Microloan Program to make loans to eligible small businesses in the State of Wisconsin. The loans to small businesses bear interest at 8.00% and are due in varying monthly installments of principal and interest to December 2025.

Due to the pandemic in 2020, loans funded with SBA funds had interest suspended through December 31, 2020. Loans funded with USDA funds had no change during 2020.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 11 - Loans Receivable - Low-Income Entrepreneurs - Continued**

A summary of the loan program is as follows:

	Low-Income Entrepreneur Program, as of December 31,	
	2020	2019
Balance, beginning of year	\$ 336,856	\$ 369,241
Loans issued	94,000	88,002
Loans repaid	(124,347)	(104,974)
Loans outstanding, end of year	306,509	352,269
Less: allowance for loan losses	(17,204)	(15,413)
<b>LOANS RECEIVABLE, NET</b>	<b>\$ 289,305</b>	<b>\$ 336,856</b>

The Organization has an established methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the Organization's portfolio. For purposes of determining the allowance for loan losses, the Organization considers all loans to be the same class as they have similar risk characteristics. This loan class requires significant judgment to determine the estimation method that fits the credit risk characteristics of its portfolio. The Organization uses internally developed models in this process. Management must use judgment in establishing additional input metrics for the modeling processes.

A historical loss percentage is applied to this class of loans using a historical loss percentage time frame. The time frame used is based on historical loss experience modeling and other quantitative techniques over the loss emergence period. As of December 31, 2020 and 2019, the historical loss time frame for each class was three years.

The total allowance for low-income entrepreneur loans reflects management's estimate of loan losses inherent in the loan portfolio at the statement of financial position date. The Organization considers the allowance for home ownership program loan losses of \$17,204 and \$15,413 adequate to cover loan losses inherent in the low-income entrepreneur loan portfolio, as of December 31, 2020 and 2019, respectively. The following table presents the changes in the allowance for loan losses for the years ended December 31:

	2020	2019
Balance, beginning of year	\$ 15,413	\$ 18,066
Provision for loan losses	39,382	(1,245)
Loans charged-off	(37,591)	(1,408)
<b>Balance, end of year</b>	<b>\$ 17,204</b>	<b>\$ 15,413</b>

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 12 - Loans Receivable - Auto Loans**

The Organization operates the Work N Wheels Program to help employed, eligible individuals and families obtain or repair a vehicle for work related need when public transportation is not a viable option.

A summary of the loan program is as follows:

	Work N Wheels Program, as of December 31,	
	2020	2019
Balance, beginning of year	\$ 297,726	\$ 298,694
Loans issued	101,745	116,391
Loans repaid	(84,715)	(83,580)
Loans charged off	(25,853)	(33,779)
Loans outstanding, end of year	288,903	297,726
Less: allowance for loan losses	(20,000)	(10,000)
<b>LOANS RECEIVABLE, NET</b>	<b>\$ 268,903</b>	<b>\$ 287,726</b>

In 2018, the Organization determined an allowance for loan losses was necessary. In the past, the Organization had the ability to disable the vehicle if payments were delinquent. Also, the Organization has not incurred losses from this program in the past as the loans are fully collateralized by the vehicle and the Organization was able to repossess the vehicle using a locator placed on the vehicle. Due to changes in State law, the ability to disable the vehicle and include a locator is no longer possible. Because of these changes, management determined an allowance for loan losses was necessary. Management reviews the outstanding loans and the payment history to determine the individual loans that require an allowance for loan loss.

The total allowance for auto loans reflects management's estimate of loan losses inherent in the loan portfolio at the statement of financial position date. The Organization considers the allowance for home ownership program loan losses of \$20,000 and \$10,000 adequate to cover loan losses inherent in the auto loan portfolio, as of December 31, 2020 and 2019, respectively. The following table presents the changes in the allowance for loan losses for the years ended December 31:

	2020	2019
Balance, beginning of year	\$ 10,000	\$ 15,934
Provision for loan losses	35,853	27,845
Loans charged-off	(25,853)	(33,779)
<b>Balance, end of year</b>	<b>\$ 20,000</b>	<b>\$ 10,000</b>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 13 - Program Advances**

Program advances represents unexpended funds received as of December 31, 2020 and 2019. The program advance is either funds owed to funding sources or is approved for use in ongoing or future programs. The program advance balance consists of the following as of December 31:

<u>Program</u>	<u>2020</u>	<u>2019</u>
Work 'n' Wheels	\$ 1,036	\$ 1,036
Centurytel Foundation, Volunteer Services	1,991	1,991
SBA Microloan	18,000	17,212
Weatherization	446,267	433,567
<b>TOTAL PROGRAM ADVANCES</b>	<b><u>\$ 467,294</u></b>	<b><u>\$ 453,806</u></b>

The weatherization inventory advance received from the Department of Administration (DOA) for the purpose of purchasing material for the Weatherization Program is recorded as a liability under program advances. There was no balance as of December 31, 2020 and 2019.

**NOTE 14 - Line of Credit**

As of December 31, 2020 and 2019, the Organization has a \$450,000 line of credit agreement with National Exchange Bank and Trust which bears interest at prime rate as published by the Wall Street Journal, not to be less than 3.95%. The interest rate as of December 31, 2020 and 2019 was 4.75% and 3.95%, respectively. The line of credit expired on July 15, 2020 and was renewed during 2020 through July 15, 2022. The line of credit is collateralized by all existing and future security agreements, mortgages, and deposit accounts between Lender and Borrower, and between any other person or entity providing collateral security for Borrower's obligations. There was no balance outstanding on this line of credit as of December 31, 2020 and 2019.

**NOTE 15 - Long-Term Obligations**

The State of Wisconsin Allowable Cost Policy Manual states that interest is an allowable expense incurred for space costs and equipment purchases. Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), states that interest is an unallowable expense, except for interest on debt incurred after September 29, 1995 to acquire or replace capital assets, which is allowable under certain conditions.

The interest expense of buildings was allocated to benefiting programs based on square footage of space occupied by benefiting programs. That portion of interest allocable to other programs subject to the Uniform Guidance was paid for by the Organization's Community Service Block Grant (CSBG) and corporate funds. This support from the CSBG program is an allowable expense under the CSBG work plan submitted to and approved by the State of Wisconsin – Department of Health and Family Services. The total amount of interest incurred and charged to expense during 2020 and 2019 was \$49,467 and \$47,886, respectively.

Unless otherwise noted below, all loans are secured by the individual property for which the mortgage was issued or receivables arising from loans made under the SBA Microloan Program.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 15 - Long-Term Obligations - Continued**

The Organization's long-term obligations are as follows as of December 31:

	Interest Rate	Date of Maturity	2020	2019
<u>National Exchange Bank and Trust</u>				
Note payable	5.75%	3/1/2024	\$ 134,024	\$ 146,457
Note payable	5.25%	8/1/2023	284,397	337,721
Note payable - secured by a bus	4.75%	4/1/2020	-	2,460
Note payable	5.15%	5/1/2020	-	247,891
Note payable	4.95%	5/1/2026	213,490	-
Note payable	7.50%	9/8/2021	10,953	26,900
Note payable	4.50%	3/1/2023	9,695	13,853
Note payable - secured by a bus	4.75%	3/1/2023	40,251	57,756
Note payable	5.00%	4/5/2031	45,726	49,042
Note payable	4.95%	9/1/2023	187,151	-
<u>U.S. Small Business Administration</u>				
Note payable*	0.00%	9/11/2021	12,878	19,444
Note payable*	0.00%	12/22/2024	50,243	56,075
Note payable*	0.00%	12/13/2027	90,237	96,402
Note payable*	0.00%	4/6/2030	30,000	-
<u>United States Department of Agriculture</u>				
Note payable	2.00%	12/31/2032	91,501	99,766
Note payable	2.00%	12/31/2036	81,824	86,875
Total long-term obligations			1,282,370	1,240,642
Less: current maturities			(207,499)	(404,660)
<b>LONG-TERM OBLIGATIONS, LESS CURRENT MATURITIES</b>			<b><u>\$ 1,074,871</u></b>	<b><u>\$ 835,982</u></b>

\*These funds are used to provide micro loans to eligible small businesses. The note payable is non-interest bearing as long as the average micro loan balance is less than \$10,000. As of December 31, 2020 and 2019, the average balance of micro loans was less than \$10,000, therefore, no interest was charged in relation to these notes.

Aggregate maturities of long-term obligations for the five years and thereafter following December 31, 2020 are as follows:

2021	\$ 207,499
2022	191,300
2023	441,346
2024	164,636
2025	75,057
Thereafter	<u>202,532</u>
Total	<u>\$ 1,282,370</u>

The Organization is in compliance with all loan covenants.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 16 - Deferred Loans Payable**

The Organization has entered into agreements to obtain financing for its housing rehabilitation program through deferred loans. Unless otherwise stated below, interest and principal payments on the loans payable to the cities of Fond du Lac, Menasha, Neenah, and Oshkosh are deferred indefinitely. All loans are collateralized by mortgages on rental properties. The Organization also entered into an agreement with the Redevelopment Authority of the City of Fond du Lac. The loan was deferred for ten years and is forgivable in 2024 if the loan is still held. The deferred loans payable balance is comprised of the following as of December 31:

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>2020</u>	<u>2019</u>
Note payable - City of Oshkosh	Deferred	8/24/2027	\$ 12,858	\$ 12,858
Note payable - City of Oshkosh	Deferred	8/1/2028	11,910	11,910
Note payable - City of Fond du Lac Redevelopment Authority	Deferred	Deferred	67,500	67,500
Note payable - City of Oshkosh	Deferred	Deferred	35,202	35,202
Note payable - City of Fond du Lac	Deferred	Deferred	35,000	35,000
Note payable - City of Neenah	Deferred	Deferred	20,000	20,000
Note payable - City of Oshkosh	Deferred	Deferred	15,000	15,000
Note payable - City of Menasha	Deferred	Deferred	15,000	15,000
Note payable - City of Oshkosh	Deferred	Deferred	15,000	15,000
Note payable - City of Oshkosh	Deferred	Deferred	15,000	-
Total deferred loans payable			<u>242,470</u>	<u>227,470</u>
Less: current maturities			-	-
<b>DEFERRED LOANS PAYABLE, LESS CURRENT MATURITIES</b>			<b><u>\$ 242,470</u></b>	<b><u>\$ 227,470</u></b>

Aggregate maturities of deferred loans payable for the five years and thereafter following December 31, 2020 are as follows:

2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	<u>242,470</u>
Total	<u>\$ 242,470</u>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 17 - Net Assets**

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Loan programs	\$ 6,389,897	\$ 6,228,392
Government grants and programs	2,749,250	2,332,077
Building purchase	-	100,000
Benefit of low to moderate income individuals	<u>218,800</u>	<u>140,297</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 9,357,947</u></b>	<b><u>\$ 8,800,766</u></b>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Satisfaction of purposes restrictions:		
Government grants and programs	\$ 12,444,433	\$ 12,410,542
Building purchase	100,000	-
Benefit of low to moderate income individuals	31,497	-
<b>TOTAL RESTRICTIONS RELEASED</b>	<b><u>\$ 12,575,930</u></b>	<b><u>\$ 12,410,542</u></b>

**NOTE 18 - Paycheck Protection Program (PPP) Loan**

The Organization was granted a \$1,242,300 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$1,242,300 as grant revenue for the year ended December 31, 2020.

**NOTE 19 - Defined Contribution Pension Plan**

The Organization has a 401k retirement plan covering substantially all employees. Employer contributions to the plan are at the discretion of the Board of Directors. During 2020 and 2019, employer contributions were \$223,157 and \$209,384, respectively, representing 5% of gross wages of eligible employees.

**NOTE 20 - Operating Leases**

The Organization leases certain facilities and equipment for operation of its programs under operating leases. Rent expense for the years ended December 31, 2020 and 2019 was \$92,631 and \$89,532, respectively.

Future minimum lease payments, by year and in the aggregate under operating leases with initial or remaining terms of one year or more consisted of the following as of December 31:

2021	\$ 65,713
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**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 21 - In-Kind Donations**

The Organization received various donated materials and services that are recognized as in-kind contribution revenue in the accompanying statements. A list of donations received is as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Materials	\$ 20,968	\$ 21,619
Transportation	8,424	4,039
Vehicle expenses	-	15,640
Program space	37,473	37,473
Land	11,500	-
Professional services	78,898	172,011
<b>TOTAL IN-KIND DONATIONS</b>	<b><u>\$ 157,263</u></b>	<b><u>\$ 250,782</u></b>

**NOTE 22 - Risks and Uncertainties**

The Organization's investments are exposed to various risks, such as interest rate, and market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of financial position and the statements of activities.

**NOTE 23 - Commitments and Contingencies**

The Organization is periodically involved in various legal actions and claims that arise as a result of events that occur in the normal course of operations. The ultimate resolution of these actions is not expected to have a material adverse effect on the Organization's financial position.

The Organization distributes federal and state funds to various other not-for-profit agencies as subrecipients. Although the Organization has committed to distributing funds, the distributions are contingent upon the Organization receiving the funding from Federal and State agencies. If the initial funding is not received from the Federal and State agencies, the Organization would not be obligated to distribute any funds to the subrecipient organizations.

SunStarr Real Estate Group, LLC has given the Organization the right of first refusal to purchase the Brookside Senior Village upon the expiration of the 15-year compliance period for the Federal Home Loan Bank – Affordable Housing Program and tax-credit programs.

**NOTE 24 - Related Parties**

A member of the Organization's board of directors is employed at a financial institution the Organization uses for banking services. Another member of the Organization's board of directors is the Executive Director of an organization in which ADVOCAP, Inc. purchased a building from. Also, several members of the Organization's management and members of the Board of Directors reside on the board for organizations from which ADVOCAP, Inc. receives funding. Lastly, the Organization's Executive Director is on the Board of United Community Services, Inc. from which the Organization rents its Neenah office building.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020 AND 2019

**NOTE 25 - Economic Conditions**

The Organization receives a large portion of their revenue from grants and contributions and its ability to fund operations is significantly dependent on the receipt of these revenues. The continued volatility of the equity, credit, and labor markets resulting from the pandemic will continue to have an impact on the Organizations receipt of grants and contributions and is likely to continue into the next fiscal year. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact on the Organization's financial position is not known.

## **SUPPLEMENTARY INFORMATION**

**ADVOCAP, INC.**  
RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
AND OTHER FINANCIAL ASSISTANCE (NON-GAAP)  
AND STATEMENT OF ACTIVITIES (GAAP)  
YEAR ENDED DECEMBER 31, 2020

	Schedule of Federal and State Awards and Other Financial Assistance	Housing Loan Allowance	Low-Income Entrepreneur Loan Allowance	Auto Loan Allowance	Fixed Asset Adjustment	In-Kind Contribution Adjustment	Deferred Revenue Adjustment	Fresh Start Homes Adjustment	Other Adjustments	Advance Adjustment	Change in Net Assets of Subsidiary	Statement of Activities
Total revenues	\$ 13,941,305	\$ -	\$ -	\$ -	\$ -	\$ (162,540)	\$ 24,419	\$ 11,500	\$ 140,244	\$ 9,253	\$ 18	\$ 13,964,199
Total expenses	13,679,931	(494,798)	1,791	10,000	(165,114)	(162,540)	-	-	140,244	-	-	13,009,514
Excess of revenues over expense	261,374	494,798	(1,791)	(10,000)	165,114	-	24,419	11,500	-	9,253	18	954,685
Changes in net assets - Subsidiary	18	-	-	-	-	-	-	-	-	-	(18)	-
Net assets, January 1, 2020	10,675,033	(2,248,029)	(15,413)	(10,000)	640,607	-	40,892	-	-	240,304	-	9,323,394
Net assets, December 31, 2020	\$ 10,936,425	\$ (1,753,231)	\$ (17,204)	\$ (20,000)	\$ 805,721	\$ -	\$ 65,311	\$ 11,500	\$ -	\$ 249,557	\$ -	\$ 10,278,079

**REPORTS ON COMPLIANCE  
AND  
INTERNAL CONTROLS**

**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 DEPARTMENT OF ADMINISTRATION AUDIT GUIDE**

To the Board of Directors and Management  
ADVOCAP, Inc.  
Fond du Lac, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Wisconsin Department of Administration Audit Guide*, the financial statements of ADVOCAP, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2021.

***Internal Control over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether ADVOCAP, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the *Wisconsin Department of Administration 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 Department of Administration Audit Guide* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Green Bay, Wisconsin  
April 22, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE SINGLE AUDIT GUIDELINES**

To the Board of Directors and Management  
ADVOCAP, Inc.  
Fond du Lac, Wisconsin

***Report on Compliance for Each Major Federal and State Program***

We have audited ADVOCAP, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of ADVOCAP, Inc.'s major federal and state programs for the year ended December 31, 2020. ADVOCAP, Inc.'s major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of ADVOCAP, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance, and *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about ADVOCAP, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of ADVOCAP, Inc.'s compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, ADVOCAP, 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 and state programs for the year ended December 31, 2020.

### ***Report on Internal Control over Compliance***

Management of ADVOCAP, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered ADVOCAP, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on the internal control over compliance in accordance with the Uniform Guidance and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ADVOCAP, Inc.'s internal control over compliance.

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

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.

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 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

HAWKINS ASH CPAS, LLP



Green Bay, Wisconsin  
April 22, 2021

**ADVOCAP, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

**FEDERAL EXPENDITURES**

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Pass-Through Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Rural Business Enterprise Grant - Direc	10.351		\$ 12,600	\$ -
Wisconsin Department of Health Services Food Distribution Cluster		70010		
TEFAP Commodities and Soup Kitchen/Food Bank Program	10.568	435100-G20-143180-90 M1 and 435100-G21-143180-190	94,732	2,175
Commodity Food Distribution	10.569	435100-G20-143180-90	<u>1,310,413</u>	<u>1,310,413</u>
Total Food Distribution Cluster			1,405,145	1,312,588
Trade Mitigation	10.178	435100-G20-143180-90 M1 and 435100-G21-143180-190	12,367	-
Wisconsin Department of Public Instruction USDA Reimbursements - Head Start	10.558	20-6803	73,191	-
Rural Microentrepreneur Assistance Program - Direct	10.870		<u>28,793</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,532,096</u>	<u>1,312,588</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
City of Oshkosh and Neenah Community Development Block Grant	14.228	None	20,493	-
Wisconsin Department of Administration Emergency Solutions Grant Program	14.231	ETH 19-01/EHH 20-01	240,623	35,602
Home Investment Partnerships Program	14.239	TBRA 19-01	267,078	-
WIBOSCOC Continuum of Care Program	14.267	DV RRH 19-20/DV RRH 20-21	183,839	-
Emergency Solutions Grant Program	14.231		15,823	-
City of Appleton Continuum of Care Program	14.267	WI0022L51001800 and WI10022L51001901	53,607	-
Emergency Solutions Grant Program	14.231	EHH 19-02 and EHH 20-02	45,114	-
Continuum of Care Program - Direct	14.267		<u>498,007</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,324,584</u>	<u>35,602</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
Wisconsin DOA WRAP program	21.019		<u>114,836</u>	<u>-</u>

**ADVOCAP, INC.**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued  
YEAR ENDED DECEMBER 31, 2020

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Pass-Through Expenditures</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Project Aspire Transitional Housing Assistance - Direct	16.736		<u>117,883</u>	<u>9,117</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Wisconsin Department of Transportation		None		
Highway Safety Cluster				
Job Access and Reverse Commute Program	20.516		164,716	-
New Freedom Program	20.521		<u>43,070</u>	<u>-</u>
Total Highway Safety Cluster			<u>207,786</u>	<u>-</u>
Total U.S. Department of Transportation			<u>207,786</u>	<u>-</u>
<b>SMALL BUSINESS ADMINISTRATION</b>				
Microloan Grant Program - Direct	59.046		41,158	-
Program for Investment in Microentrepreneurs (PRIME) - Direct	59.050		<u>152,908</u>	<u>-</u>
Total Small Business Administration			<u>194,066</u>	<u>-</u>
<b>U.S. DEPARTMENT OF ENERGY</b>				
Wisconsin Department of Administration		WX2021.01 / WX1920.01		
Weatherization Assistance for Low-Income Persons	81.042		<u>256,453</u>	<u>-</u>
Total U.S. Department of Energy			<u>256,453</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Wisconsin Department of Vocational Rehabilitation		None		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		<u>28,610</u>	<u>-</u>
Total U.S. Department of Education			<u>28,610</u>	<u>-</u>

**ADVOCAP, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued**  
**YEAR ENDED DECEMBER 31, 2020**

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Pass-Through Expenditures</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Winnebago County		None		
Aging Cluster				
Winnebago County Nutrition Home Delivered and Congregate Meals	93.044		141,946	-
Winnebago County Nutrition Home Delivered and Congregate Meals	93.045		440,083	-
Winnebago County Nutrition Home Delivered and Congregate Meal	93.053		86,499	-
Total Aging Cluster			<u>668,528</u>	<u>-</u>
Wisconsin Department of Administration		WX2021.01 / WX1920.01		
Low Income Home Energy Assistance	93.568		136,525	-
Wisconsin Department of Health Services		437004-G20-0001511-000-01		
477 Cluster				
Community Services Block Grant	93.569		249,751	-
Total 477 Cluster			<u>249,751</u>	<u>-</u>
Head Start - Direct	93.600		2,718,076	-
Total U.S. Department of Health and Human Services			<u>3,772,880</u>	<u>-</u>
<b>CORPORATION FOR NATIONAL COMMUNITY SERVICE</b>				
Retired and Senior Volunteer Program - Direct	94.002		195,022	-
Foster Grandparent Program - Direct	94.011		156,566	-
Total Corporation for National Community Service			<u>351,588</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 7,900,782</u>	<u>\$ 1,357,307</u>

**ADVOCAP, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued**  
**YEAR ENDED DECEMBER 31, 2020**

**STATE EXPENDITURES**

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	State ID <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	State <u>Expenditures</u>	Subrecipient Pass-Through <u>Expenditures</u>
<b>WISCONSIN DEPARTMENT OF HEALTH SERVICES</b>				
Retired Senior Volunteer Program	435.560390		\$ 26,221	\$ -
State Foster Grandparent Program	435.560450		42,263	-
WISCAP/ Job and Business Development	Unknown		22,000	-
Winnebago County		None		
Winnebago County Nutrition Home Delivered and Congregate Meal:	435.560350		<u>45,530</u>	<u>-</u>
Total Wisconsin Department of Health Services			<u>136,014</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</b>				
WIA Skills Enhancement	435.175		<u>36,498</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>				
Head Start Supplemental Funds	255.327		<u>99,900</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF ADMINISTRATION</b>				
Shelter Subsidy Grant	Unknown		6,200	-
HCRI Homeowner Loan Program and Administration	Unknown		6,970	-
Public Benefits - Weatherization	505.371		<u>1,829,295</u>	<u>-</u>
Total Wisconsin Department of Administration			<u>1,842,465</u>	<u>-</u>
<b>WISCONSIN DIVISION OF ENERGY</b>				
Home Energy Assistance Program	505.371		<u>321,219</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES</b>				
Skills Enhancement	437.1750		<u>36,498</u>	<u>-</u>
Total Expenditures of State Awards			<u>\$ 2,472,594</u>	<u>\$ -</u>

**ADVOCAP, INC.**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2020

**NOTE 1 - Basis of Presentation**

The accompanying "Schedule of Expenditures of Federal and State Awards" includes the federal and state award activity of ADVOCAP, Inc. The information in this schedule is presented in accordance with the Uniform Guidance and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of ADVOCAP, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of ADVOCAP, Inc.

**NOTE 2 - Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable and are limited as to reimbursement.

**NOTE 3 - Oversight Agency**

The Federal oversight agency for ADVOCAP, Inc. is the U.S. Department of Health Services.

**NOTE 4 - Nonmonetary Assistance**

Nonmonetary assistance is reported in the schedule of federal and state awards at the fair market value of the commodities received and used.

**NOTE 5 - 10% De Minimis Cost Rate**

Elected not to use.

**ADVOCAP, INC.**  
**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE**  
For the Year Ended December 31, 2020

	DESIGNATED										
	Department of Agriculture (DOA)										
	10.178			10.351		10.433	10.569	10.558	10.568		
	Trade Mitigation ERA Operational Funds		10.178	WISCAP Rural Business Development	Housing Preservation Loan Program	Commodity Food Distribution	USDA Reimbursement Head Start	Emergency Food Assistance Program (TEFAP)			
Total	2019/2020 (1)	2020/2021 (2)	Subtotal	Grant (3)	Program (4)	Food Distribution (5)	Head Start (6)	2019/2020 (7)	2020/2021 (8)	CARES/FFCRA (9)	
<b>Revenues:</b>											
Government awards	\$ 11,347,689	\$ 11,090	\$ 1,277	\$ 12,367	\$ 12,600	\$ -	\$ -	\$ 73,191	\$ 35,389	\$ 10,673	\$ 48,670
Program income	642,418	-	-	-	-	-	-	-	-	-	-
Other services	29,125	-	-	-	-	-	-	-	-	-	-
Corporate funds	65	-	-	-	-	-	-	-	-	-	-
Investment return	64,891	-	-	-	-	-	-	-	-	-	-
Contributions	238,401	-	-	-	-	-	-	-	-	-	-
Commodities	1,310,413	-	-	-	-	1,310,413	-	-	-	-	-
In-Kind Revenue	308,303	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>13,941,305</b>	<b>11,090</b>	<b>1,277</b>	<b>12,367</b>	<b>12,600</b>	<b>1,310,413</b>	<b>73,191</b>	<b>35,389</b>	<b>10,673</b>	<b>48,670</b>	
<b>Expenses:</b>											
Personnel Costs	7,330,885	3,764	620	4,384	12,600	-	31,781	12,011	5,175	-	
Professional Services	86,240	31	6	37	-	-	-	100	51	-	
Office Operating Expenses	364,224	393	61	454	-	-	-	1,257	513	-	
Facilities	635,480	1,252	174	1,426	-	-	-	3,994	1,455	-	
Travel	50,693	206	-	206	-	-	-	660	4	-	
Training	45,900	1	-	1	-	-	-	3	-	-	
Participant and Volunteer Expenses	968,581	1	-	1	-	-	-	2	1	-	
Subcontractors	1,148,864	-	233	233	-	-	-	-	1,942	-	
Program Materials	1,078,892	616	183	799	-	-	41,410	1,964	1,525	7,300	
Vehicle Operation	130,551	-	-	-	-	-	-	-	1	-	
Tools and Equipment	132,886	5,669	-	5,669	-	-	-	18,089	6	41,370	
Other	88,019	1	-	1	-	-	-	3	-	-	
Commodities	1,310,413	-	-	-	-	1,310,413	-	-	-	-	
In-Kind	308,303	-	-	-	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>13,679,931</b>	<b>11,934</b>	<b>1,277</b>	<b>13,211</b>	<b>12,600</b>	<b>1,310,413</b>	<b>73,191</b>	<b>38,083</b>	<b>10,673</b>	<b>48,670</b>	
Excess of Revenues (Expenses)	261,374	(844)	-	(844)	-	-	-	(2,694)	-	-	
Net Assets - January 1, 2020	10,675,036	-	-	-	-	50,000	-	-	-	-	
Funds Transferred	-	844	-	844	-	-	-	2,694	-	-	
Change in Net Assets - Subsidiary	18	-	-	-	-	-	-	-	-	-	
Net Assets – Designated	10,936,428	-	-	-	-	50,000	-	-	-	-	
Net Assets – Undesignated	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Assets – December 31, 2020</b>	<b>\$ 10,936,428</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

**ADVOCAP, INC.**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued**  
For the Year Ended December 31, 2020

	DESIGNATED									
	DOA				Department of Housing and Urban Development (HUD)					
	10.568	10.769		10.870	14.228	14.231				
	10.568	Rural Business Enterprise Grant	Rural Business Development	10.769	RMAP Loan and Tech Assist. Funds	Community Development Block Grant Funds	WIDOA HUD EHH Grant 2019/2020	WIDOA HUD EHH Grant 2020/2021	WIDOA HUD EHH Grant-CV 2020-2022	WIBOSCOG HUD HP Program 2019/2020
Subtotal	Revolving Loan (10)	Grants (11)	Subtotal	(12)	(13)	(14)	(15)	(16)	(17)	
<b>Revenues:</b>										
Government awards	\$ 94,732	\$ -	\$ -	\$ -	\$ 28,793	\$ 20,493	\$ 145,642	\$ 65,912	\$ 29,069	\$ 15,823
Program income	-	-	-	-	-	-	-	-	-	2,242
Other services	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	592	592	3,227	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>94,732</b>	<b>-</b>	<b>592</b>	<b>592</b>	<b>32,020</b>	<b>20,493</b>	<b>145,642</b>	<b>65,912</b>	<b>29,069</b>	<b>18,065</b>
<b>Expenses:</b>										
Personnel Costs	17,186	-	-	-	31,984	4,394	69,279	28,021	1,000	5,598
Professional Services	151	-	-	-	-	-	863	347	11	-
Office Operating Expenses	1,770	-	-	-	-	-	2,139	808	20	-
Facilities	5,449	-	-	-	3,277	-	3,061	1,051	24	-
Travel	664	-	-	-	-	-	305	13	11	57
Training	3	-	-	-	-	-	19	-	-	-
Participant and Volunteer Expenses	3	-	-	-	-	9,224	85,514	22,373	21,002	9,900
Subcontractors	1,942	-	-	-	-	-	13,020	15,583	7,000	-
Program Materials	10,789	-	-	-	-	6,875	1	-	-	-
Vehicle Operation	1	-	-	-	-	-	15	3	-	-
Tools and Equipment	59,465	-	-	-	-	-	101	30	1	-
Other	3	-	11,062	11,062	17,260	-	58	1	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>97,426</b>	<b>-</b>	<b>11,062</b>	<b>11,062</b>	<b>52,521</b>	<b>20,493</b>	<b>174,375</b>	<b>68,230</b>	<b>29,069</b>	<b>15,555</b>
Excess of Revenues (Expenses)	(2,694)	-	(10,470)	(10,470)	(20,501)	-	(28,733)	(2,318)	-	2,510
Net Assets - January 1, 2020	-	28,874	160,972	189,846	9,443	-	-	-	-	-
Funds Transferred	2,694	-	-	-	3,191	-	28,733	2,318	-	(2,510)
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-
Net Assets – Designated	-	28,874	150,502	179,376	(7,867)	-	-	-	-	-
Net Assets – Undesignated	-	-	-	-	-	-	-	-	-	-
<b>Total Net Assets – December 31, 2020</b>	<b>\$ -</b>	<b>\$ 28,874</b>	<b>\$ 150,502</b>	<b>\$ 179,376</b>	<b>\$ (7,867)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED									
	Department of Housing and Urban Development (HUD)									
	14.231					14.239				
	City of Appleton WIDOA HAP RRH 2020/2021 (18)	City of Appleton WIDOA HAP RRH Expansion 2020/2021 (19)	City of Appleton HUD EHH Grant 2019/2020 (20)	City of Appleton HUD EHH Grant 2020/2021 (21)	14.231 Subtotal	HOME/CHBR Rehabilitation Programs Loan Funds (22)	HOME/HRA Rehabilitation Programs Loan Funds (23)	HOME/CHBR Rehabilitation Programs Administration (24)	WIDOA Tenant-Based Rental Assistance Program (25)	RHD HOME Loan Program (26)
<b>Revenues:</b>										
Government awards	\$ 3,737	\$ 2,015	\$ 26,124	\$ 13,238	\$ 301,560	\$ -	\$ -	\$ -	\$ 267,078	\$ -
Program income	-	-	-	-	2,242	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	50,571
Contributions	-	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>3,737</b>	<b>2,015</b>	<b>26,124</b>	<b>13,238</b>	<b>303,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267,078</b>	<b>50,571</b>
<b>Expenses:</b>										
Personnel Costs	1,217	2,629	12,383	6,969	127,096	2,647	-	20,477	27,002	-
Professional Services	6	12	134	104	1,477	-	-	109	1,653	-
Office Operating Expenses	49	117	594	301	4,028	-	-	673	1,272	-
Facilities	38	91	611	354	5,230	-	-	737	1,424	-
Travel	-	-	189	-	575	-	-	363	254	-
Training	-	-	5	-	24	-	-	43	478	-
Participant and Volunteer Expenses	2,962	-	19,474	9,026	170,251	-	-	17	235,671	-
Subcontractors	-	-	-	-	35,603	889	-	17	395	-
Program Materials	-	-	-	-	1	-	-	133	37	-
Vehicle Operation	-	-	-	-	18	-	-	4	63	-
Tools and Equipment	-	1	2	5	140	-	-	36	31	-
Other	-	-	5	1	65	12,602	4,119	8	23	-
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>4,272</b>	<b>2,850</b>	<b>33,397</b>	<b>16,760</b>	<b>344,508</b>	<b>16,138</b>	<b>4,119</b>	<b>22,617</b>	<b>268,303</b>	<b>-</b>
Excess of Revenues (Expenses)	(535)	(835)	(7,273)	(3,522)	(40,706)	(16,138)	(4,119)	(22,617)	(1,225)	50,571
<b>Net Assets - January 1, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,741,296</b>	<b>1,660,659</b>	<b>-</b>	<b>-</b>	<b>1,930,678</b>
Funds Transferred	535	835	7,273	3,522	40,706	-	-	22,617	1,225	-
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-
Net Assets – Designated	-	-	-	-	-	3,725,158	1,656,540	-	-	1,981,249
Net Assets – Undesignated	-	-	-	-	-	-	-	-	-	-
<b>Total Net Assets – December 31, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,725,158</b>	<b>\$ 1,656,540</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,981,249</b>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

DESIGNATED									
Department of Housing and Urban Development (HUD)									
14.239	14.267								
14.239	HUD	HUD	HUD	HUD	HUD	HUD	WIBOSCOC	WIBOSCOC	
Subtotal	Continuum of	Continuum of	Continuum of	Continuum of	Continuum of	Continuum of	DV RRH	DV RRH	
	Care Program	Care Program	Care Program	Care Program	Care Program	Care Program	Project	Project	
	WI0004L5I001710	WI0146L5I001804	WI0147L5I001804	WI0164L5I001803	WI0004L5I001912		2019/2020	2020/2021	
	(27)	(28)	(29)	(30)	(31)		(32)	(33)	
<b>Revenues:</b>									
Government awards	\$ 267,078	\$ 49,161	\$ 101,625	\$ 221,853	\$ 105,058	\$ 20,310	\$ 115,972	\$ 40,667	
Program income	-	-	6,030	-	-	-	-	-	
Other services	-	-	-	-	-	-	-	-	
Corporate funds	-	-	-	-	-	-	-	-	
Investment return	50,571	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	
Commodities	-	-	-	-	-	-	-	-	
In-Kind Revenue	-	-	-	-	-	-	-	-	
Total Revenues	<u>317,649</u>	<u>49,161</u>	<u>107,655</u>	<u>221,853</u>	<u>105,058</u>	<u>20,310</u>	<u>115,972</u>	<u>40,667</u>	
<b>Expenses:</b>									
Personnel Costs	50,126	29,457	82,721	147,989	69,523	9,403	53,932	16,285	
Professional Services	1,762	325	839	1,431	620	143	583	225	
Office Operating Expenses	1,945	817	2,111	3,935	2,027	233	1,675	528	
Facilities	2,161	931	2,318	4,431	3,594	215	2,133	585	
Travel	617	113	239	453	164	92	213	14	
Training	521	7	11	20	12	-	23	-	
Participant and Volunteer Expenses	235,688	25,009	31,302	44,023	31,562	9,094	75,919	22,062	
Subcontractors	1,301	-	-	-	-	-	-	-	
Program Materials	170	1	1	1	1	-	1	-	
Vehicle Operation	67	8	18	25	7	1	11	2	
Tools and Equipment	67	54	137	169	36	(9)	78	30	
Other	16,752	12	18	46	32	-	24	1	
Commodities	-	-	-	-	-	-	-	-	
In-Kind	-	-	-	-	-	-	-	-	
Total Expenses	<u>311,177</u>	<u>56,734</u>	<u>119,715</u>	<u>202,523</u>	<u>107,578</u>	<u>19,172</u>	<u>134,592</u>	<u>39,732</u>	
Excess of Revenues (Expenses)	6,472	(7,573)	(12,060)	19,330	(2,520)	1,138	(18,620)	935	
Net Assets - January 1, 2020	7,332,633	-	-	-	-	-	-	-	
Funds Transferred	23,842	7,573	12,060	(19,330)	2,520	(1,138)	18,620	(935)	
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	
Net Assets - Designated	7,362,947	-	-	-	-	-	-	-	
Net Assets - Undesignated	-	-	-	-	-	-	-	-	
Total Net Assets - December 31, 2020	<u>\$ 7,362,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED							
	Department of Housing and Urban Development (HUD)					Department of Justice	Depart. of Transportation	
	14.267	14.267			14.905	16.736	20.516	
WIBOSCOC Supportive Services for Coordinated Entry 2019/2020 (34)	WIBOSCOC Supportive Services for Coordinated Entry 2020/2021 (35)	City of Appleton Continuum of Care Rapid Rehousing Program (36)	City of Appleton Continuum of Care Rapid Rehousing Expansion Program (37)	14.267 Subtotal	Lead Hazard Reduction Loan Program (38)	Office on Violence Against Women Project Aspire (39)	WI Dept of Transp. WETAP Program Capital (40)	
<b>Revenues:</b>								
Government awards	\$ 10,235	\$ 16,965	\$ 41,378	\$ 12,229	\$ 735,453	\$ -	\$ 117,883	\$ 128,058
Program income	-	-	-	-	6,030	-	625	-
Other services	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>10,235</u>	<u>16,965</u>	<u>41,378</u>	<u>12,229</u>	<u>741,483</u>	<u>-</u>	<u>118,508</u>	<u>128,058</u>
<b>Expenses:</b>								
Personnel Costs	19,820	19,432	37,132	310	486,004	-	48,264	-
Professional Services	133	157	260	3	4,719	-	696	-
Office Operating Expenses	798	686	1,275	5	14,090	-	1,274	-
Facilities	629	715	1,275	7	16,833	-	2,326	-
Travel	360	246	144	-	2,038	-	207	-
Training	10	-	7	-	90	-	7	-
Participant and Volunteer Expenses	8	2	9,484	12,229	260,694	-	61,171	-
Subcontractors	-	-	-	-	-	-	9,117	-
Program Materials	1	-	1	-	7	-	-	-
Vehicle Operation	4	5	3	-	84	-	6	-
Tools and Equipment	42	40	25	-	602	-	23	-
Other	80	2	9	-	224	-	20	25,485
Commodities	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-
Total Expenses	<u>21,885</u>	<u>21,285</u>	<u>49,615</u>	<u>12,554</u>	<u>785,385</u>	<u>-</u>	<u>123,111</u>	<u>25,485</u>
Excess of Revenues (Expenses)	(11,650)	(4,320)	(8,237)	(325)	(43,902)	-	(4,603)	102,573
Net Assets - January 1, 2020	-	-	-	-	-	58,266	-	851,509
Funds Transferred	11,650	4,320	8,237	325	43,902	-	4,603	(90,454)
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	-	-	58,266	-	863,628
Net Assets - Undesignated	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,266</u>	<u>\$ -</u>	<u>\$ 863,628</u>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED									
	Dept. of Transportation			Dept. of Treasury		Small Bus Adm		Dept. of Energy		
	20.516	20.516	20.521	21.019	59.046	59.050	59.073	81.042		
	WI Dept of Transp.		WI Dept of Transp.							
	WETAP	WINR	Section	Wisconsin	Microloan	Investment in	Paycheck	DOE		
	Program	Loan	5310	Rental Assistance	Grant	Microentrepreneurs	Protection	Weather-		
	Operating	Program	Program	Program	Program	PRIME	Loan Program	ization		
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	WX1920.01		
		Subtotal						(48)		
<b>Revenues:</b>										
Government awards	\$ 36,658	\$ -	\$ 164,716	\$ 43,070	\$ 114,836	\$ 41,158	\$ 152,908	\$ 1,242,300	\$ 142,867	
Program income	-	-	-	-	-	-	-	-	-	
Other services	-	-	-	-	-	-	-	-	-	
Corporate funds	-	-	-	-	-	-	-	-	-	
Investment return	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	-	
Commodities	-	-	-	-	-	-	-	-	-	
In-Kind Revenue	-	-	-	23,847	-	-	-	-	-	
Total Revenues	36,658	-	164,716	66,917	114,836	41,158	152,908	1,242,300	142,867	
<b>Expenses:</b>										
Personnel Costs	146,231	-	146,231	38,647	110,155	49,264	169,272	-	92,444	
Professional Services	670	-	670	364	220	921	1,064	-	478	
Office Operating Expenses	6,921	-	6,921	1,582	2,840	658	3,606	-	-	
Facilities	8,043	-	8,043	1,545	2,761	1,037	7,834	-	-	
Travel	2,003	-	2,003	141	198	53	606	-	366	
Training	229	-	229	10	410	9	454	-	7,953	
Participant and Volunteer Expenses	33	-	33	226	22	17	20	-	-	
Subcontractors	-	-	-	-	-	-	10	-	27,507	
Program Materials	2	-	2	1	-	-	1	-	17,202	
Vehicle Operation	36	-	36	12	29	2	22	-	-	
Tools and Equipment	208	-	208	38	117	18	187	-	-	
Other	51	-	25,536	22	13	9	40	-	-	
Commodities	-	-	-	-	-	-	-	-	-	
In-Kind	-	-	-	23,847	-	-	-	-	-	
Total Expenses	164,427	-	189,912	66,435	116,765	51,988	183,116	-	145,950	
Excess of Revenues (Expenses)	(127,769)	-	(25,196)	482	(1,929)	(10,830)	(30,208)	1,242,300	(3,083)	
Net Assets - January 1, 2020	-	12,869	864,378	-	-	-	-	-	-	
Funds Transferred	127,769	-	37,315	(482)	1,929	10,830	30,208	(1,242,300)	3,083	
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	
Net Assets - Designated	-	12,869	876,497	-	-	-	-	-	-	
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	
Total Net Assets - December 31, 2020	\$ -	\$ 12,869	\$ 876,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**ADVOCAP, INC.**

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED								
	Dept. of Energy		Dept of Educ	Department of Health and Human Services (DHHS)					
	81.042	84.126	93.044	93.045	93.053	93.568			
DOE		Winn Cnty	Winn Cnty	Winn Cnty	LIEAP	LIEAP			
Weather-ization	81.042	Community Employment	Home Delivery & Congregate	Home Delivery & Congregate	Home Delivery & Congregate	Weather-ization	Weather-ization	93.568	
WX2021.01	Subtotal	DVR Funding	Meals	Meals	Meals	WX1920.01	WX2021.01	Subtotal	
(49)		(50)	(51)	(52)	(53)	(54)	(55)		
<b>Revenues:</b>									
Government awards	\$ 113,586	\$ 256,453	\$ 28,610	\$ 141,946	\$ 440,083	\$ 86,499	\$ 50,842	\$ 85,683	\$ 136,525
Program income	-	-	-	28,360	87,924	17,282	-	-	-
Other services	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	9,973	30,920	6,077	-	-	-
<b>Total Revenues</b>	<b>113,586</b>	<b>256,453</b>	<b>28,610</b>	<b>180,279</b>	<b>558,927</b>	<b>109,858</b>	<b>50,842</b>	<b>85,683</b>	<b>136,525</b>
<b>Expenses:</b>									
Personnel Costs	69,051	161,495	37,478	147,625	489,148	7,160	29,268	44,221	73,489
Professional Services	750	1,228	475	1,032	4,926	331	1,004	669	1,673
Office Operating Expenses	2,667	2,667	1,254	2,488	38,940	1,184	168	2,221	2,389
Facilities	2,514	2,514	1,778	1,900	20,438	999	-	2,083	2,083
Travel	22	388	604	292	13,714	53	-	17	17
Training	3,086	11,039	223	131	200	-	-	-	-
Participant and Volunteer Expenses	7	7	34	65	433	5	-	3	3
Subcontractors	24,054	51,561	-	583	6,534	355	7,208	14,830	22,038
Program Materials	11,261	28,463	-	8,641	48,685	91,765	13,533	21,462	34,995
Vehicle Operation	27	27	9	466	18,559	210	-	22	22
Tools and Equipment	145	145	12	182	3,269	92	-	151	151
Other	2	2	22	39	320	20	-	4	4
Commodities	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	9,973	30,920	6,077	-	-	-
<b>Total Expenses</b>	<b>113,586</b>	<b>259,536</b>	<b>41,889</b>	<b>173,417</b>	<b>676,086</b>	<b>108,251</b>	<b>51,181</b>	<b>85,683</b>	<b>136,864</b>
Excess of Revenues (Expenses)	-	(3,083)	(13,279)	6,862	(117,159)	1,607	(339)	-	(339)
<b>Net Assets - January 1, 2020</b>	-	-	-	14,275	36,431	8,268	-	-	-
Funds Transferred	-	3,083	13,279	(6,862)	117,159	(1,607)	339	-	339
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	14,275	36,431	8,268	-	-	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-
<b>Total Net Assets - December 31, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,275</b>	<b>\$ 36,431</b>	<b>\$ 8,268</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED										
	Department of Health and Human Services (DHHS)							CFNS			
	93.569		93.576		93.600			94.002	94.011		
	Community Services Block Grant (56)	CARES Community Services Block Grant (57)	93.569 Subtotal	Refugee Business Loan Program (58)	Head Start Full-Year/ Part Day 05CH010772-02 (59)	Training & Technical Assistance 05CH010772-02 (60)	Head Start CARES Act 05CH010772-02 (61)	93.600 Subtotal	CFNCS RSVP Program (62)	CFNCS Foster Grandparent Program (63)	Total Federal Funds
<b>Revenues:</b>											
Government awards	\$ 242,108	\$ 7,643	\$ 249,751	\$ -	\$ 2,624,453	\$ 23,577	\$ 70,046	\$ 2,718,076	\$ 195,022	\$ 156,566	\$ 7,832,669
Program income	-	-	-	-	-	-	-	-	-	-	142,463
Other services	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	54,390
Contributions	-	-	-	-	7,303	-	-	7,303	-	61	7,364
Commodities	-	-	-	-	-	-	-	-	-	-	1,310,413
In-Kind Revenue	-	-	-	-	196,907	-	-	196,907	-	-	267,724
<b>Total Revenues</b>	<b>242,108</b>	<b>7,643</b>	<b>249,751</b>	<b>-</b>	<b>2,828,663</b>	<b>23,577</b>	<b>70,046</b>	<b>2,922,286</b>	<b>195,022</b>	<b>156,627</b>	<b>9,615,023</b>
<b>Expenses:</b>											
Personnel Costs	134,523	24	134,547	-	2,483,340	258	17,771	2,501,369	173,705	65,544	5,118,948
Professional Services	9,564	-	9,564	-	26,162	-	124	26,286	1,541	916	60,053
Office Operating Expenses	8,914	7,063	15,977	-	98,426	-	5,040	103,466	18,089	3,531	229,153
Facilities	9,761	-	9,761	-	152,706	-	567	153,273	6,455	2,655	259,778
Travel	2,083	-	2,083	-	13,591	384	32	14,007	1,571	724	40,761
Training	1,474	-	1,474	-	974	22,802	20	23,796	114	-	38,735
Participant and Volunteer Expenses	877	556	1,433	-	7,155	-	-	7,155	22,182	97,120	865,787
Subcontractors	1,212	-	1,212	-	97,325	-	-	97,325	-	-	227,814
Program Materials	118	-	118	-	56,569	133	39,453	96,155	108	2	368,987
Vehicle Operation	429	-	429	-	40,628	-	220	40,848	40	13	60,900
Tools and Equipment	127	-	127	-	20,378	-	8,686	29,064	163	66	99,805
Other	81	-	81	-	1,849	-	2	1,851	134	27	73,507
Commodities	-	-	-	-	-	-	-	-	-	-	1,310,413
In-Kind	-	-	-	-	196,907	-	-	196,907	-	-	267,724
<b>Total Expenses</b>	<b>169,163</b>	<b>7,643</b>	<b>176,806</b>	<b>-</b>	<b>3,196,010</b>	<b>23,577</b>	<b>71,915</b>	<b>3,291,502</b>	<b>224,102</b>	<b>170,598</b>	<b>9,022,365</b>
Excess of Revenues (Expenses)	72,945	-	72,945	-	(367,347)	-	(1,869)	(369,216)	(29,080)	(13,971)	592,658
Net Assets - January 1, 2020	-	-	-	(17,946)	-	-	-	-	-	-	8,545,594
Funds Transferred	(72,945)	-	(72,945)	-	367,347	-	1,869	369,216	29,080	13,971	(578,005)
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	(17,946)	-	-	-	-	-	-	8,560,247
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Assets - December 31, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (17,946)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,560,247</b>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED										
	Other State and Local Funds										
	255.327	435.56039		435.175		Public	Public	Wisconsin DOE	Wisconsin DOE		
	Wisc DPI	State	State	DWD/Wiscap	Wisconsin	Benefits	Benefits	Home Energy	Home Energy	HCRI	HCRI
	Head Start	Retired	Foster	WIA Skills	DOA	Weather-	Weather-	Assistance	Assistance	Homeowner	Homeowner
	Funds	Volunteers	Grandparent	Enhancement	Subsidy	ization	ization	Program	Program	Loan	Loan Program
	(64)	(65)	Program	(67)	(68)	WX1920.01	WX2021.01	2019/2020	2020/2021	Program	Admin
			(66)			(69)	(70)	(71)	(72)	(73)	(74)
<b>Revenues:</b>											
Government awards	\$ 99,900	\$ 26,221	\$ 42,263	\$ 36,498	\$ 6,200	\$ 1,337,138	\$ 492,157	\$ 193,236	\$ 127,983	\$ 39,500	\$ 6,970
Program income	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>99,900</u>	<u>26,221</u>	<u>42,263</u>	<u>36,498</u>	<u>6,200</u>	<u>1,337,138</u>	<u>492,157</u>	<u>193,236</u>	<u>127,983</u>	<u>39,500</u>	<u>6,970</u>
<b>Expenses:</b>											
Personnel Costs	89,455	26,847	33,373	26,093	-	985,346	205,255	30,601	9,372	-	10,367
Professional Services	223	132	323	234	-	8,436	2,523	966	377	-	29
Office Operating Expenses	1,786	547	1,657	615	-	48,985	11,448	1,323	532	-	192
Facilities	893	1,529	1,187	1,713	-	48,048	7,130	1,746	544	-	208
Travel	893	1,222	98	325	-	2,559	524	18	3	-	302
Training	-	2	7	4	-	3,877	1,041	13	-	-	1
Participant and Volunteer Expenses	-	8	8,627	12,357	6,200	1,003	108	25	1	-	5
Subcontractors	402	-	-	-	-	346,525	184,337	164,124	116,573	-	-
Program Materials	4,462	-	-	-	-	80,774	32,043	1	-	-	-
Vehicle Operation	1,786	6	3	2	-	13,508	45,648	14	545	-	1
Tools and Equipment	-	36	38	30	-	25,097	2,094	30	35	-	16
Other	-	8	3	5	-	524	6	21	1	-	3
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	<u>99,900</u>	<u>30,337</u>	<u>45,316</u>	<u>41,378</u>	<u>6,200</u>	<u>1,564,682</u>	<u>492,157</u>	<u>198,882</u>	<u>127,983</u>	<u>-</u>	<u>11,124</u>
Excess of Revenues (Expenses)	-	(4,116)	(3,053)	(4,880)	-	(227,544)	-	(5,646)	-	39,500	(4,154)
Net Assets - January 1, 2020	-	-	-	-	-	-	-	-	-	1,111,724	-
Funds Transferred	-	4,116	3,053	4,880	-	227,544	-	5,646	-	-	4,154
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	-	-	-	-	-	-	1,151,224	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,151,224</u>	<u>\$ -</u>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED									
	Other State and Local Funds									
Wisconsin										
Housing and Economic Development Authority (75)	WI DHS Home Delivery & Congregate Meals (76)	Winn. County Home Delivery & Congregate Meals (77)	Winn. County Sr. Friends Transportation & PASS Prog. (78)	WI DHS WISCAP JBD Funds GPR (79)	Head Start District Funds (80)	Oshkosh Area United Way Homeless Job Placement (81)	Oshkosh Area United Way Skills (82)	Oshkosh Area United Way Bridges (83)	Oshkosh Area United Way hub (84)	Oshkosh Area United Way Nutrition (85)
<b>Revenues:</b>										
Government awards	\$ 100,000	\$ 45,530	\$ 532,036	\$ 162,246	\$ 22,000	\$ 178,642	\$ -	\$ -	\$ -	\$ -
Program income	-	9,096	106,296	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	10,000	7,500	38,723	1,500	15,500
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	3,199	37,380	-	-	-	-	-	-	-
Total Revenues	<u>100,000</u>	<u>57,825</u>	<u>675,712</u>	<u>162,246</u>	<u>22,000</u>	<u>178,642</u>	<u>10,000</u>	<u>7,500</u>	<u>38,723</u>	<u>15,500</u>
<b>Expenses:</b>										
Personnel Costs	-	78,492	92,840	161,559	21,135	187,510	33	139	28,480	1,500
Professional Services	-	934	2,034	2,871	1,363	1,509	-	-	458	-
Office Operating Expenses	-	7,317	7,282	7,884	811	10,974	1	-	950	-
Facilities	-	4,426	6,143	7,671	1,278	22,281	1	1	1,487	-
Travel	-	2,032	325	472	5	34	-	1	66	-
Training	-	42	1	622	868	94	-	-	7	-
Participant and Volunteer Expenses	-	223	29	268	3	60	-	7,498	14,455	-
Subcontractors	100,000	2,176	2,187	487	(60)	-	-	-	-	-
Program Materials	-	6,855	515,629	64	-	333	-	-	-	11,608
Vehicle Operation	-	2,431	1,291	121	1	25	-	-	9	-
Tools and Equipment	-	398	565	146	7	1,915	-	-	30	-
Other	-	73	126	112	4	138	-	-	12	-
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind	-	3,199	37,380	-	-	-	-	-	-	-
Total Expenses	<u>100,000</u>	<u>108,598</u>	<u>665,832</u>	<u>182,277</u>	<u>25,415</u>	<u>224,873</u>	<u>35</u>	<u>7,639</u>	<u>45,954</u>	<u>1,500</u>
Excess of Revenues (Expenses)	-	(50,773)	9,880	(20,031)	(3,415)	(46,231)	9,965	(139)	(7,231)	-
Net Assets - January 1, 2020	-	-	16,278	-	-	-	-	-	-	-
Funds Transferred	-	50,773	(9,880)	20,031	3,415	46,231	(9,965)	139	7,231	-
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	16,278	-	-	-	-	-	-	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCAP, INC.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
For the Year Ended December 31, 2020

	DESIGNATED											
	Other State and Local Funds											
	Fox Cities United Way Nutrition (86)	Fond du Lac United Way (87)	Ripon United Way (88)	Oshkosh Area Community Foundation Green Lake (89)	Oshkosh Area Community Foundation (90)	National Exchange Bank Foundation Contribution (91)	Associated Bank (92)	Alliant Energy Foundation (93)	Other Local Grants (94)	Funds for Fines Revolving Loan Program (95)	Community Investment Program (96)	Housing Revolving Loan Fund (97)
<b>Revenues:</b>												
Government awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program income	-	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	51,725	3,700	536	10,835	7,298	31,497	23,347	5,000	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>51,725</b>	<b>3,700</b>	<b>536</b>	<b>10,835</b>	<b>7,298</b>	<b>31,497</b>	<b>23,347</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>												
Personnel Costs	4,289	159	9	500	15	767	10,000	-	-	-	-	-
Professional Services	-	-	14	-	-	-	-	-	-	-	-	-
Office Operating Expenses	-	2	-	-	-	-	-	-	-	-	-	-
Facilities	-	1	-	-	-	-	-	-	-	-	-	-
Travel	-	-	13	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-	-	-	-
Participant and Volunteer Expenses	-	-	-	10,335	2,283	36,686	-	-	-	-	-	-
Subcontractors	-	-	500	-	-	-	-	-	-	-	-	-
Program Materials	47,436	-	-	-	5,000	-	-	5,000	-	-	-	-
Vehicle Operation	-	-	-	-	-	-	-	-	-	-	-	-
Tools and Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	368	-	-
Commodities	-	-	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>51,725</b>	<b>162</b>	<b>536</b>	<b>10,835</b>	<b>7,298</b>	<b>37,453</b>	<b>10,000</b>	<b>5,000</b>	<b>-</b>	<b>368</b>	<b>-</b>	<b>-</b>
Excess of Revenues (Expenses)	-	3,538	-	-	-	(5,956)	13,347	-	-	(368)	-	-
<b>Net Assets - January 1, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>60,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,300</b>	<b>6,917</b>	<b>192,000</b>	<b>27,545</b>
Funds Transferred	-	(3,538)	-	-	-	5,956	(13,347)	-	-	-	-	-
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets – Designated	-	-	-	8,000	60,661	-	-	-	5,300	6,549	192,000	27,545
Net Assets – Undesignated	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Assets – December 31, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000</b>	<b>\$ 60,661</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,300</b>	<b>\$ 6,549</b>	<b>\$ 192,000</b>	<b>\$ 27,545</b>

**ADVOCAP, INC.**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued**  
For the Year Ended December 31, 2020

	DESIGNATED		UNDESIGNATED			
	Other State and Local Funds					
	Other State and Local Subtotal	TOTAL DESIGNATED	Sales of Services (98)	Affordable Rental Housing For Low Income People (99)	Corporate Funds (100)	TOTAL UNDESIGNATED
<b>Revenues:</b>						
Government awards	\$ 3,448,520	\$ 11,281,189	\$ -	\$ -	\$ 66,500	\$ 66,500
Program income	115,392	257,855	36,488	346,696	1,379	384,563
Other services	-	-	29,125	-	-	29,125
Corporate funds	-	-	-	-	65	65
Investment return	-	54,390	1,865	-	8,636	10,501
Contributions	207,161	214,525	-	-	23,876	23,876
Commodities	-	1,310,413	-	-	-	-
In-Kind Revenue	<u>40,579</u>	<u>308,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>3,811,652</u>	<u>13,426,675</u>	<u>67,478</u>	<u>346,696</u>	<u>100,456</u>	<u>514,630</u>
<b>Expenses:</b>						
Personnel Costs	2,008,028	7,126,976	3,851	200,001	57	203,909
Professional Services	22,426	82,479	76	2,878	807	3,761
Office Operating Expenses	102,306	331,459	966	30,962	837	32,765
Facilities	106,287	366,065	14,090	258,134	(2,809)	269,415
Travel	8,892	49,653	-	1,040	-	1,040
Training	6,579	45,314	-	586	-	586
Participant and Volunteer Expenses	100,174	965,961	2,570	50	-	2,620
Subcontractors	917,251	1,145,065	3,799	-	-	3,799
Program Materials	709,205	1,078,192	1	3	696	700
Vehicle Operation	65,391	126,291	4	4,256	-	4,260
Tools and Equipment	30,437	130,242	5	2,639	-	2,644
Other	1,404	74,911	9,441	1,682	1,985	13,108
Commodities	-	1,310,413	-	-	-	-
In-Kind	<u>40,579</u>	<u>308,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>4,118,959</u>	<u>13,141,324</u>	<u>34,803</u>	<u>502,231</u>	<u>1,573</u>	<u>538,607</u>
Excess of Revenues (Expenses)	(307,307)	285,351	32,675	(155,535)	98,883	(23,977)
<b>Net Assets - January 1, 2020</b>	1,428,425	9,974,019	-	-	701,017	701,017
Funds Transferred	346,439	(231,566)	(32,675)	155,535	108,706	231,566
Change in Net Assets - Subsidiary	-	-	-	-	18	18
Net Assets - Designated	1,467,557	10,027,804	-	-	-	-
Net Assets - Undesignated	-	-	-	-	908,624	908,624
Total Net Assets - December 31, 2020	<u>\$ 1,467,557</u>	<u>\$ 10,027,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908,624</u>	<u>\$ 908,624</u>

**ADVOCAP, INC.**  
**RESERVE SUPPLEMENTAL SCHEDULE**  
**YEAR ENDED DECEMBER 31, 2020**

- 1. Total units of service N/A
- 2. Allowable expenses for rate-based service N/A
- 3. Total revenue for rate-based service N/A
- 4. Excess (deficiency) revenue over expenses (line 3 minus line 2) N/A
- 5. Calculation of excess reserves amount due to purchaser:

Purchaser	I.D. #	Revenue from Purchaser	Purchaser's Share of Total Revenue	Purchaser's Share of Excess Revenue (Deficiency)	5% Cap on Excess Revenue	Amount Due to the Purchaser
<u>Winnebago County:</u>						
Congregate Meals/ County Funds - Nutrition	93.045/ 93.044/93.053	\$ 1,200,564	\$ 1,200,564	\$ -	\$ 60,028	\$ -
PASS Program	County	162,246	162,246	-	8,112	-

**ADVOCAP, INC.**

**SCHEDULE OF NUTRITION AND TRANSPORTATION PROGRAMS FOR THE ELDERLY  
CHANGES IN CASH BALANCES - WINNEBAGO COUNTY, WISCONSIN  
YEAR ENDED DECEMBER 31, 2020**

	<u>Grant</u>	<u>Program Income</u>	<u>USDA</u>	<u>Winnebago County</u>	<u>Total</u>
Cash balance on 1-1-2020					\$ 75,252
Received:					
Federal III-C-1	\$ 50,145	\$ 19,893	\$ 6,912	\$ 42,512	\$ 119,462
Federal III-C-2	137,841	54,683	18,999	116,860	328,383
CARES B	75,158	29,816	10,359	63,718	179,051
FFCRA C2	93,694	37,169	12,914	79,433	223,210
CARES C2	194,074	76,991	26,750	164,533	462,348
Federal III-B	66,788	26,495	9,206	56,621	159,110
Senior Comm Serv (state)	<u>9,859</u>	<u>3,911</u>	<u>1,359</u>	<u>8,359</u>	<u>23,488</u>
<b>TOTAL RECEIVED</b>	<b>\$ 627,559</b>	<b>\$ 248,958</b>	<b>\$ 86,499</b>	<b>\$ 532,036</b>	<b>\$ 1,495,052</b>
Expenditures:					
Congregate Nutrition	\$ 50,145	\$ 19,893	\$ 6,912	\$ 42,512	\$ 119,462
Home Delivered Nutrition	567,555	225,154	78,228	481,165	1,352,102
Senior Comm Serv (state)	<u>9,859</u>	<u>3,911</u>	<u>1,359</u>	<u>8,359</u>	<u>23,488</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 627,559</b>	<b>\$ 248,958</b>	<b>\$ 86,499</b>	<b>\$ 532,036</b>	<b>\$ 1,495,052</b>
Cash balance on 12-31-2020					\$ 75,252

Reconciliation to Schedule of Federal Awards:	<u>Total</u>	<u>In-Kind</u>	<u>Cash</u>
Home Delivered & Congregate (Column 51)	\$ 180,279	\$ 9,973	\$ 170,306
Home Delivered & Congregate (Column 52)	558,927	30,920	528,007
Home Delivered & Congregate (Column 53)	109,858	6,077	103,781
Home Delivered & Congregate (Column 76)	57,825	3,199	54,626
Home Delivered & Congregate (Column 77)	<u>675,712</u>	<u>37,380</u>	<u>638,332</u>
	<b><u>\$ 1,582,601</u></b>	<b><u>\$ 87,549</u></b>	<b><u>\$ 1,495,052</u></b>

**ADVOCAP, INC.**  
**SCHEDULE OF EMERGENCY FURNACE ACTIVITY BY CONTRACT**  
**YEAR ENDED DECEMBER 31, 2020**

<u>Contract #</u>	<u>Prior Audit Period Cash Received</u>	<u>Current Audit Period Cash Received</u>	<u>True up Received (Paid)</u>	<u>Net Contract to date Cash Received</u>	<u>Contract to Date Expenses</u>
Emergency Furnace 2019-20	\$ 110,724	\$ 234,955	\$ -	\$ 345,679	\$ 345,679
Emergency Furnace 2020-21	\$ -	\$ 123,203	\$ -	\$ 123,203	\$ 127,983

**ADVOCAP, INC.**  
**SETTLEMENT OF DHS COST REIMBURSEMENT AWARD**  
**YEAR ENDED DECEMBER 31, 2020**

<b>CFDA number</b>	10.568	10.568	435.560390	Unknown
<b>DHS identification number</b>	CARS # 70010	CARS # 70010	CARS # 560390	CARS # 560451
<b>Award amount</b>	\$ 129,463	\$ 37,839	\$ 26,221	\$ 42,263
<b>Award period</b>	10/1/19 - 09/30/20	10/1/20 - 09/30/21	1/1/20 - 12/31/20	1/1/20 - 12/31/20
<b>Period of award within audit period</b>	1/1/20 - 9/30/20	10/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20
<b>Expenditures reported to DHS for payment</b>	\$ 95,149	\$ 11,950	\$ 26,221	\$ 42,263
<b>Actual allowable cost of award</b>				
<b>Program expenses</b>				
Compensation of officers, directors, and key employees	\$ 7,154	\$ 3,153	\$ 6,142	\$ 20,376
Pension plan contributions	358	158	307	1,019
Other employee benefits	3,144	2,086	5,879	6,159
Accounting	85	28	69	194
Office operations	1,323	448	138	1,239
Occupancy	4,946	1,513	473	559
Travel	864	4	1,216	96
Participant and volunteer	-	-	1	8,625
Subcontractors	-	2,175	-	-
Program materials	9,880	1,708	-	-
Tools and equipment	65,128	1	-	-
Total program expenses	<u>92,882</u>	<u>11,274</u>	<u>14,225</u>	<u>38,267</u>
<b>Management and general expenses allocated to program</b>				
Compensation of officers, directors and key employees, allocated based on direct labor hours	997	233	6,327	1,884
Pension plan contributions, allocated based on direct labor hours	50	12	316	94
Other employee benefits, allocated based on direct labor hours	537	155	3,768	791
Accounting, allocated based on budgeted revenue	46	29	63	129
Office operations, allocated based on direct labor hours	327	126	409	418
Occupancy, allocated based on square footage of space used	300	116	1,056	628
Travel, allocated based on direct labor hours	2	-	6	2
Conferences and conventions, allocated based on direct labor hours	4	-	2	7
Participant and volunteer, allocated based on direct labor hours	3	-	7	2
Vehicle operation, allocated based on direct labor hours	-	-	6	3
Tools and equipment, allocated based on direct labor hours	1	5	36	38
Total management and general expenses	<u>2,267</u>	<u>676</u>	<u>11,996</u>	<u>3,996</u>
<b>Total Allowable Costs</b>	<b><u>\$ 95,149</u></b>	<b><u>\$ 11,950</u></b>	<b><u>\$ 26,221</u></b>	<b><u>\$ 42,263</u></b>

**ADVOCAP, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**

**A. Summary of Auditors' Results**

**Financial Statements**

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued?  | Unmodified    |
| 2. | Internal control over financial reporting:  |               |
|    | a. Material weakness(es) identified?  | No            |
|    | b. Significant deficiency(ies) identified not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to the financial statements?                                 | No            |

**Federal and State Awards**

- | 4.                            | Internal control over major programs:  |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|-------------------------------|--|--|-----------------|---------------|-------------------|------------------------------|----------------|---------------------------|---------------------------|---------------------------|-------------------------------|---------------------------|
|                               | a. Material weakness(es) identified?   | No   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | b. Significant deficiency(ies) identified not considered to be material weakness(es)?                    | None reported  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| 5.                            | Type of auditors' report issued on compliance for major programs?  | Unmodified   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| 6.                            | Any audit findings disclosures that are required to be reported in accordance with the Uniform Guidance? | No   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| 7.                            | Identification of major federal programs:  | <table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>CFDA No.</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>Commodities/TEFAP</td> <td style="text-align: right;">10.568/10.569    \$1,405,145</td> </tr> <tr> <td>Weatherization</td> <td style="text-align: right;">81.042            256,453</td> </tr> <tr> <td>Low Income Weatherization</td> <td style="text-align: right;">93.568            136,525</td> </tr> <tr> <td>Community Service Block Grant</td> <td style="text-align: right;">93.569            249,751</td> </tr> </tbody> </table> | <u>CFDA No.</u> | <u>Amount</u> | Commodities/TEFAP | 10.568/10.569    \$1,405,145 | Weatherization | 81.042            256,453 | Low Income Weatherization | 93.568            136,525 | Community Service Block Grant | 93.569            249,751 |
| <u>CFDA No.</u>               | <u>Amount</u>  |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| Commodities/TEFAP             | 10.568/10.569    \$1,405,145   |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| Weatherization                | 81.042            256,453  |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| Low Income Weatherization     | 93.568            136,525  |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| Community Service Block Grant | 93.569            249,751  |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | Identification of major state programs:  |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | Wisconsin Department of Energy   |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | Home Energy Assistance Program   | 505.371        \$ 321,219  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | Public Benefits - Weatherization   | 505.371        1,829,295   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| 8.                            | Dollar threshold used to distinguish between   |  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | Type A and Type B federal programs?  | \$750,000  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
|                               | Type A and Type B state programs?  | \$250,000  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| 9.                            | Auditee qualified as low-risk auditee?   | Yes  |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| <b>B.</b>                     | <b>Financial Statement Findings</b>  | None   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| <b>C.</b>                     | <b>Federal and State Award Findings and Questioned Costs</b>   | None   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |
| <b>D.</b>                     | <b>Prior Year Findings</b>   | None   |                 |               |                   |                              |                |                           |                           |                           |                               |                           |

**ADVOCAP, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**  
**YEAR ENDED DECEMBER 31, 2020**

**E. Other Issues**

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e. material non-compliance, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Wisconsin Department of Commerce	No
Wisconsin Department of Health and Family Services	No
Wisconsin Department of Administration	No
Wisconsin Community Action Program Association	No
Wisconsin Housing and Economic Development Authority	No
Winnebago County	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 Randall J. Miller CPA

5. Date of report April 22, 2021