

ADVOCAP, INC.

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2021 AND 2020

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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

Opinion

We have audited the accompanying financial statements of ADVOCAP, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ADVOCAP, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ADVOCAP, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ADVOCAP, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ADVOCAP, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 33, pages 44 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 21, 2022 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.

Hankins Ash CPAs, LLP

Green Bay, Wisconsin
April 21, 2022

FINANCIAL STATEMENTS

ADVOCAP, INC.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	DECEMBER 31,	
	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,297,008	\$ 1,500,511
Beneficial interest in community foundations	73,320	64,921
Accounts receivable:		
Funding sources and programs	2,040,909	1,484,953
Other	30,027	124,965
Inventory	205,508	317,744
Prepaid expenses	34,810	62,879
	<u>3,681,582</u>	<u>3,555,973</u>
PROPERTY AND EQUIPMENT		
Property and equipment, at cost	9,552,619	9,360,149
Less: accumulated depreciation	6,582,027	6,411,660
	<u>2,970,592</u>	<u>2,948,489</u>
OTHER ASSETS		
Investment in subsidiary	11,198	11,215
Loans receivable:		
Housing loans	7,379,251	7,584,920
Allowance for loan losses, housing loans	(1,528,742)	(1,753,231)
Low-income entrepreneurs	242,544	306,509
Allowance for loan losses, low-income entrepreneurs	(9,534)	(17,204)
Auto loans	315,992	288,903
Allowance for loan losses, auto loans	(20,000)	(20,000)
	<u>6,390,709</u>	<u>6,401,112</u>
TOTAL OTHER ASSETS	<u>6,390,709</u>	<u>6,401,112</u>
TOTAL ASSETS	<u>\$ 13,042,883</u>	<u>\$ 12,905,574</u>

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,	
	2021	2020
CURRENT LIABILITIES		
Current maturities:		
Long-term obligations	\$ 194,260	\$ 207,499
Accounts payable	182,629	237,688
Accrued liabilities:		
Payroll and payroll taxes	296,973	190,607
Other	96,168	95,105
Deferred revenue	158,181	111,961
Program advances	467,294	467,294
	<u>1,395,505</u>	<u>1,310,154</u>
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
Long-term obligations	907,505	1,074,871
Deferred loans payable	242,470	242,470
	<u>1,149,975</u>	<u>1,317,341</u>
TOTAL NONCURRENT LIABILITIES		
	<u>2,545,480</u>	<u>2,627,495</u>
TOTAL LIABILITIES		
NET ASSETS		
Without donor restrictions	681,097	920,132
With donor restrictions	9,816,306	9,357,947
	<u>10,497,403</u>	<u>10,278,079</u>
TOTAL NET ASSETS		
	<u>10,497,403</u>	<u>10,278,079</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,042,883</u>	<u>\$ 12,905,574</u>

The accompanying notes are an integral part of these statements.

ADVOCAP, INC.
STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31,

	2021			2020		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE						
Government awards	\$ -	\$ 11,686,716	\$ 11,686,716	\$ -	\$ 11,181,189	\$ 11,181,189
Program	-	300,338	300,338	-	257,855	257,855
Other services	364,129	-	364,129	412,327	-	412,327
Corporate funds	140,640	-	140,640	208,188	-	208,188
Interest income	9,222	54,308	63,530	4,990	54,390	59,380
Change in beneficial interests	8,399	-	8,399	5,511	-	5,511
Contributions	25,871	357,122	382,993	23,876	348,197	372,073
Commodities	-	1,108,819	1,108,819	-	1,310,413	1,310,413
In-kind donations	127,860	-	127,860	157,263	-	157,263
Net assets released from restriction	13,048,944	(13,048,944)	-	12,594,863	(12,594,863)	-
TOTAL REVENUE	13,725,065	458,359	14,183,424	13,407,018	557,181	13,964,199
EXPENSES						
Program	12,570,269	-	12,570,269	11,647,843	-	11,647,843
Management and general	1,393,831	-	1,393,831	1,361,671	-	1,361,671
TOTAL EXPENSES	13,964,100	-	13,964,100	13,009,514	-	13,009,514
CHANGE IN NET ASSETS	(239,035)	458,359	219,324	397,504	557,181	954,685
NET ASSETS AT BEGINNING OF YEAR	920,132	9,357,947	10,278,079	522,628	8,800,766	9,323,394
NET ASSETS AT END OF YEAR	\$ 681,097	\$ 9,816,306	\$ 10,497,403	\$ 920,132	\$ 9,357,947	\$ 10,278,079

The accompanying notes are an integral part of these statements.

ADVOCAP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Personnel	\$ 6,277,317	\$ 1,173,893	\$ 7,451,210
Professional services	1,058	92,012	93,070
Office operations	362,472	44,325	406,797
Facilities	653,679	76,372	730,051
Travel	52,015	2,033	54,048
Training and development	45,665	686	46,351
Participant expenses	748,402	532	748,934
Subcontractors	1,409,122	-	1,409,122
Program materials	1,112,319	-	1,112,319
Vehicle operation	189,906	-	189,906
Tools and equipment	88,464	3,978	92,442
Provision (credit) for loan losses	(187,957)	-	(187,957)
Miscellaneous	581,128	-	581,128
Commodities	1,108,819	-	1,108,819
In-kind	127,860	-	127,860
	<u>12,570,269</u>	<u>1,393,831</u>	<u>13,964,100</u>
TOTAL EXPENSES	\$ 12,570,269	\$ 1,393,831	\$ 13,964,100

The accompanying notes are an integral part of these financial 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
TOTAL EXPENSES	<u>\$ 11,647,843</u>	<u>\$ 1,361,671</u>	<u>\$ 13,009,514</u>

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

ADVOCAP, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 219,324	\$ 954,685
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	323,452	323,238
Change in value in beneficial interest in community foundations	(8,399)	(5,511)
Provision for loan loss - housing loans	(180,394)	(478,107)
Provision for loan loss - low-income entrepreneurs	(7,670)	39,382
Provision for loan loss - auto loans	107	35,853
Equity in net (gain) loss of subsidiary	17	(18)
Non-cash donation of property and equipment	-	(11,500)
Change in assets and liabilities:		
(Increase) decrease in operating assets		
Accounts receivable	(461,018)	(289,616)
Inventory	112,236	38,858
Prepaid expenses	28,069	3,235
Increase (decrease) in operating liabilities		
Accounts payable	(60,659)	(12,224)
Accrued liabilities	107,429	108,735
Deferred revenue	46,220	94,225
Program advances	-	13,488
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	118,714	814,723
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(342,655)	(588,266)
Proceeds from sale of property and equipment	2,700	300
Housing loans issued	(219,729)	(124,582)
Collection and recoveries of housing loans	381,303	374,810
Loans to low-income entrepreneurs issued	(81,500)	(94,000)
Collection of loans to low-income entrepreneurs	145,465	102,169
Auto loans issued	(116,157)	(101,745)
Collection of auto loans	88,961	84,715
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(141,612)	(346,599)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	30,000	235,000
Repayment of long-term debt	(210,605)	(178,272)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(180,605)	56,728

The accompanying notes are an integral part of these statements.

ADVOCAP, INC.
STATEMENTS OF CASH FLOWS - Continued

	YEAR ENDED DECEMBER 31,	
	2021	2020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(203,503)	524,852
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,500,511	975,659
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,297,008	\$ 1,500,511
 <u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	\$ 43,860	\$ 49,467
 <u>NON-CASH DISCLOSURE OF SUPPLEMENTAL INFORMATION</u>		
Property and equipment included in accounts payable	\$ 5,600	\$ -

The accompanying notes are an integral part of these statements.

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020.

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, 2021 AND 2020

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 \$2,489 and \$11,268 for the years ended December 31, 2021 and 2020, 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, 2021 AND 2020

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, 2021 and 2020, 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 21, 2022, 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 \$848,772 and \$929,624 as of December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash	\$ 1,297,008	\$ 1,500,511
Accounts receivable	<u>2,070,936</u>	<u>1,609,918</u>
Total financial assets available within one year	3,367,944	3,110,429
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>3,282,510</u>	<u>2,702,899</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 85,434</u>	<u>\$ 407,530</u>

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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 \$73,320 and \$64,921 as of December 31, 2021 and 2020, 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, 2021 and 2020.

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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, 2021 and 2020:

	<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, 2021</u>				
Beneficial interest in Community Foundations	\$ 73,320	\$ -	\$ -	\$ 73,320
<u>December 31, 2020</u>				
Beneficial interest in Community Foundations	\$ 64,921	\$ -	\$ -	\$ 64,921

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>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 64,921	\$ 59,410
Investment return	8,399	5,511
Balance, end of year	<u>\$ 73,320</u>	<u>\$ 64,921</u>

NOTE 6 - Inventory

Inventory consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Jobs in progress – Weatherization	\$ 110,966	\$ 133,799
Jobs in progress – Housing Rehab	43,319	131,352
Material inventory	51,223	52,593
TOTAL INVENTORY	<u>\$ 205,508</u>	<u>\$ 317,744</u>

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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. In 2021, the Organization requested waivers which decreased the requirement match to \$455,159.

	December 31, 2021		
	Federal Expenditures	Non Federal Required	Non Federal Received
Full-Year and Part-Day Head Start	\$ 3,113,833	\$ 455,149	\$ 455,149

	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

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 01/01/21 – 12/31/21	\$ 50,500	\$ 50,500	\$ 50,500

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

The match funds for 2021 and 2020 consisted of \$50,500 and \$22,000 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 2021 and 2020 as follows:

	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/21 – 12/31/21	\$ 1,259,336	\$ 143,000	\$ 143,000

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

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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 of federal expenditures depending on the contract 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 the grant periods:

	<u>Total Federal Contract</u>	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
SBA Technical Assistance SBAOCAML200058	\$ 43,526	\$ 22,101	\$ 8,706	\$ 8,706
SBA Technical Assistance SBAOCAML210175	\$ 65,418	\$ 32,358	\$ 10,514	\$ 10,514
Principal balance of loans to borrowers				\$ 131,751
Loan loss reserve required				\$ 19,763
Loan loss reserve maintained				\$ 43,897

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.

	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
Contract period 01/01/21 – 12/31/21	\$ 261,904	\$ 114,081	\$ 114,081

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 SBAOCAPR200004	\$ 188,000	\$ 135,451	\$ 94,000	\$ 65,589
PRIME SBAOCAPR210031	\$ 196,000	\$ 45,508	\$ 98,000	\$ 24,500

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

NOTE 8 - Property and Equipment

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

	<u>2021</u>	<u>2020</u>
Land	\$ 676,887	\$ 676,887
Buildings	1,105,167	1,105,167
Rental properties	1,731,759	1,731,759
Donated building	15,813	15,813
Building improvements	3,829,549	3,717,665
Building improvements – transitional housing project	182,838	182,838
Vehicles	1,148,396	1,157,016
Equipment	<u>862,210</u>	<u>773,004</u>
	\$ 9,552,619	\$ 9,360,149
Less: accumulated depreciation	<u>(6,582,027)</u>	<u>(6,411,660)</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 2,970,592</u>	<u>\$ 2,948,489</u>

Depreciation expense amounted to \$323,452 and \$323,238 for the years ended December 31, 2021 and 2020, 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 \$11,198 and \$11,215 as of December 31, 2021 and 2020, 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, 2021 AND 2020

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>2021</u>	<u>2020</u>
Loans issued	\$ 15,314,096	\$ 15,094,366
Loans repaid	(5,851,867)	(5,470,563)
Loans defaulted	<u>(2,082,978)</u>	<u>(2,038,883)</u>
Loans outstanding	7,379,251	7,584,920
Less: allowance for loan losses	<u>(1,528,742)</u>	<u>(1,753,231)</u>
LOANS RECEIVABLE, NET	<u>\$ 5,850,509</u>	<u>\$ 5,831,689</u>

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 1,753,231	\$ 2,248,029
Provision (credit) for loan losses	(180,394)	(478,107)
Loans charged-off	(44,095)	(16,691)
Recoveries	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,528,742</u>	<u>\$ 1,753,231</u>

Detail of the loan programs since inception is as follows:

	<u>DECEMBER 31, 2021</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	\$ 2,463,199	\$ 10,065,367	\$ 271,469	\$ 192,000
Loans repaid	(149,670)	(1,243,120)	(4,209,838)	(104,611)	-
Loans defaulted	<u>(63,123)</u>	<u>(244,254)</u>	<u>(1,685,654)</u>	<u>(89,947)</u>	<u>-</u>
Loans outstanding	<u>\$ 10,000</u>	<u>\$ 975,825</u>	<u>\$ 4,169,875</u>	<u>\$ 76,911</u>	<u>\$ 192,000</u>

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

NOTE 10 - Loans Receivable - Housing Loans - Continued

DECEMBER 31, 2021 - Continued					
	Berlin Senior Village	Riverside Senior, LLC	Marion Manor	Jefferson Street Apartments, LLC	Total
Loans issued	\$ 610,369	\$ 457,361	\$ 471,608	\$ 559,930	\$ 15,314,096
Loans repaid	(65,777)	-	(78,851)	-	(5,851,867)
Loans defaulted	-	-	-	-	(2,082,978)
Loans outstanding	<u>\$ 544,592</u>	<u>\$ 457,361</u>	<u>\$ 392,757</u>	<u>\$ 559,930</u>	7,379,251
Less: allowance for loan losses					(1,528,742)
LOANS RECEIVABLE, NET					<u>\$ 5,850,509</u>

DECEMBER 31, 2020					
	Housing Revolving Loan Fund	Buyer Downpayment Assistance	Owner Rehabilitation Assistance	Other	Brookside Senior Village
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	(63,123)	(240,363)	(1,645,450)	(89,947)	-
Loans outstanding	<u>\$ 10,000</u>	<u>\$ 992,673</u>	<u>\$ 4,383,281</u>	<u>\$ 81,311</u>	<u>\$ 192,000</u>

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)
LOANS RECEIVABLE, NET					<u>\$ 5,831,689</u>

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, 2021 and 2020, the historical loss time frame for each class was ten years.

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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 \$1,528,742 and \$1,753,231 adequate to cover loan losses inherent in the home ownership program loan portfolio, as of December 31, 2021 and 2020, 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, 2021 and 2020, there is no allowance associated with any other housing loan programs.

	DECEMBER 31, 2021				
	Buyer Downpayment Assistance	Owner Rehabilitation Assistance	Marion Manor	Other	Total
Balance, beginning of year	\$ 180,172	\$ 1,480,919	\$ 38,473	\$ 53,667	\$ 1,753,231
Provision (credit) for loan losses	(14,094)	(118,970)	(38,473)	(8,857)	(180,394)
Loans charged-off	(3,891)	(40,204)	-	-	(44,095)
Recoveries	-	-	-	-	-
Balance, end of year	<u>\$ 162,187</u>	<u>\$ 1,321,745</u>	<u>\$ -</u>	<u>\$ 44,810</u>	<u>\$ 1,528,742</u>

	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	-	-	-	-	-
Balance, end of year	<u>\$ 180,172</u>	<u>\$ 1,480,919</u>	<u>\$ 38,473</u>	<u>\$ 53,667</u>	<u>\$ 1,753,231</u>

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 rates ranging from 6.00% to 8.00% and are due in varying monthly installments of principal and interest ranging from 5 to 7 years from origination date.

Due to the pandemic in 2021 and 2020, loans funded with SBA funds had interest suspended through September 30, 2021. Loans funded with USDA funds had no change during 2021 and 2020.

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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,	
	2021	2020
Balance, beginning of year	\$ 289,305	\$ 336,856
Loans issued	81,500	94,000
Loans repaid	(128,261)	(124,347)
Loans outstanding, end of year	242,544	306,509
Less: allowance for loan losses	(9,534)	(17,204)
LOANS RECEIVABLE, NET	\$ 233,010	\$ 289,305

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, 2021 and 2020, 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 \$9,534 and \$17,204 adequate to cover loan losses inherent in the low-income entrepreneur loan portfolio, as of December 31, 2021 and 2020, respectively. The following table presents the changes in the allowance for loan losses for the years ended December 31:

	2021	2020
Balance, beginning of year	\$ 17,204	\$ 15,413
Provision for loan losses	(7,670)	39,382
Loans charged-off	-	(37,591)
Balance, end of year	\$ 9,534	\$ 17,204

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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,	
	2021	2020
Balance, beginning of year	\$ 288,903	\$ 297,726
Loans issued	116,157	101,745
Loans repaid	(88,961)	(84,715)
Loans charged off	(107)	(25,853)
Loans outstanding, end of year	315,992	288,903
Less: allowance for loan losses	(20,000)	(20,000)
LOANS RECEIVABLE, NET	\$ 295,992	\$ 268,903

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 adequate to cover loan losses inherent in the auto loan portfolio, as of December 31, 2021 and 2020. The following table presents the changes in the allowance for loan losses for the years ended December 31:

	2021	2020
Balance, beginning of year	\$ 20,000	\$ 10,000
Provision for loan losses	107	35,853
Loans charged-off	(107)	(25,853)
Balance, end of year	\$ 20,000	\$ 20,000

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

NOTE 13 - Program Advances

Program advances represents unexpended funds received as of December 31, 2021 and 2020. 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>	2021	2020
Work 'n' Wheels	\$ 1,036	\$ 1,036
Centurytel Foundation, Volunteer Services	1,991	1,991
SBA Microloan	18,000	18,000
Weatherization	446,267	446,267
TOTAL PROGRAM ADVANCES	\$ 467,294	\$ 467,294

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, 2021 and 2020.

NOTE 14 - Line of Credit

As of December 31, 2021 and 2020, 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, 2021 and 2020 was 3.95% and 4.75%, 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, 2021 and 2020.

NOTE 15 - Long-Term Obligations

The Wisconsin Department of Health Services' 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 2021 and 2020 was \$43,860 and \$49,467, 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, 2021 AND 2020

NOTE 15 - Long-Term Obligations - Continued

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

	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>2021</u>	<u>2020</u>
<u>National Exchange Bank and Trust</u>				
Note payable	5.75%	3/1/2024	\$ 120,821	\$ 134,024
Note payable	5.25%	8/1/2023	228,112	284,397
Note payable	4.95%	5/1/2026	177,600	213,490
Note payable	7.50%	9/8/2021	-	10,953
Note payable	4.50%	3/1/2023	-	9,695
Note payable - secured by a bus	4.75%	3/1/2023	21,875	40,251
Note payable	5.00%	4/5/2031	42,527	45,726
Note payable	4.95%	9/1/2023	178,285	187,151
<u>U.S. Small Business Administration</u>				
Note payable*	0.00%	9/11/2021	-	12,878
Note payable*	0.00%	12/22/2024	37,682	50,243
Note payable*	0.00%	12/13/2027	77,345	90,237
Note payable*	0.00%	4/6/2030	57,778	30,000
<u>United States Department of Agriculture</u>				
Note payable	2.00%	12/31/2032	83,069	91,501
Note payable	2.00%	12/31/2036	76,671	81,824
Total long-term obligations			1,101,765	1,282,370
Less: current maturities			(194,260)	(207,499)
LONG-TERM OBLIGATIONS, LESS CURRENT MATURITIES			<u>\$ 907,505</u>	<u>\$ 1,074,871</u>

*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, 2021 and 2020, 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, 2021 are as follows:

2022	\$ 194,260
2023	449,527
2024	175,411
2025	82,557
2026	54,529
Thereafter	145,481
Total	<u>\$ 1,101,765</u>

The Organization is in compliance with all loan covenants.

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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>2021</u>	<u>2020</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	15,000
Total deferred loans payable			<u>242,470</u>	<u>242,470</u>
Less: current maturities			-	-
DEFERRED LOANS PAYABLE, LESS CURRENT MATURITIES			<u>\$ 242,470</u>	<u>\$ 242,470</u>

Aggregate maturities of deferred loans payable for the five years and thereafter following December 31, 2021 are as follows:

2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	<u>242,470</u>
Total	<u>\$ 242,470</u>

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

NOTE 17 - Net Assets

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

	2021	2020
Subject to expenditure for specified purpose:		
Loan programs	\$ 6,379,511	\$ 6,389,897
Government grants and programs	3,147,667	2,749,250
Benefit of low to moderate income individuals	289,128	218,800
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 9,816,306	\$ 9,357,947

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:

	2021	2020
Satisfaction of purposes restrictions:		
Government grants and programs	\$ 13,019,272	\$ 12,463,366
Building purchase	-	100,000
Benefit of low to moderate income individuals	29,672	31,497
TOTAL RESTRICTIONS RELEASED	\$ 13,048,944	\$ 12,594,863

NOTE 18 - Paycheck Protection Program (PPP) Loan

In 2020, 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 2021 and 2020, employer contributions were \$216,597 and \$223,157, 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, 2021 and 2020 was \$94,499 and \$92,631, 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:

2022	\$ 93,433
2023	17,100

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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>2021</u>	<u>2020</u>
Materials	\$ 20,276	\$ 20,968
Transportation	-	8,424
Program space	37,473	37,473
Land	-	11,500
Professional services	70,111	78,898
TOTAL IN-KIND DONATIONS	<u>\$ 127,860</u>	<u>\$ 157,263</u>

NOTE 22 - Risks and Uncertainties

Beneficial Interest in Community Foundations - The Organization's beneficial interest in Community Foundations 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.

COVID-19 Pandemic - The world-wide Coronavirus Pandemic has impacted national and global economies. 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 current and future full impact to the Organization is not known.

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.

ADVOCAP, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2021 AND 2020

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.

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, 2021

	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	Prepaid expenses	Other Adjustments	Advance Adjustment	Change in Net Assets of Subsidiary	Statement of Activities
Total revenues	\$ 14,083,740	\$ -	\$ -	\$ -	\$ -	\$ (94,675)	\$ 91,759	\$ -	\$ -	\$ 63,039	\$ 39,578	\$ (17)	\$ 14,183,424
Total expenses	14,362,425	(224,489)	(7,670)	-	(111,290)	(94,675)	-	-	(23,245)	63,044	-	-	13,964,100
Excess of revenues over expense	(278,685)	224,489	7,670	-	111,290	-	91,759	-	23,245	(5)	39,578	(17)	219,324
Changes in net assets - Subsidiary	(17)	-	-	-	-	-	-	-	-	-	-	17	-
Net assets, January 1, 2020	10,936,425	(1,753,231)	(17,204)	(20,000)	805,721	-	65,311	11,500	-	-	249,557	-	10,278,079
Net assets, December 31, 2021	\$ 10,657,723	\$ (1,528,742)	\$ (9,534)	\$ (20,000)	\$ 917,011	\$ -	\$ 157,070	\$ 11,500	\$ 23,245	\$ (5)	\$ 289,135	\$ -	\$ 10,497,403

**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, 2021, 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 21, 2022.

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.

Hankins Ash CPAs, LLP

Green Bay, Wisconsin
April 21, 2022

**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

Opinion on 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of ADVOCAP, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of ADVOCAP, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to ADVOCAP, Inc.'s federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on ADVOCAP, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, *State Single Audit Guidelines*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about ADVOCAP, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, *State Single Audit Guidelines*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding ADVOCAP, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of ADVOCAP, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of ADVOCAP, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Hankins Ash CPAs, LLP

Green Bay, Wisconsin
April 21, 2022

ADVOCAP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

FEDERAL EXPENDITURES

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Pass-Through Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE				
Rural Business Enterprise Grant - Direct	10.351		\$ 12,200	\$ -
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	99,657	25,815
Commodity Food Distribution	10.569	435100-G20-143180-90	1,108,819	-
Total Food Distribution Cluster			1,208,476	25,815
Wisconsin Department of Public Instruction USDA Reimbursements - Head Start	10.558	20-6803	106,914	-
Rural Microentrepreneur Assistance Program - Direct	10.870		25,769	-
Total U.S. Department of Agriculture			<u>1,353,359</u>	<u>25,815</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
City of Oshkosh and Neenah Community Development Block Grant	14.228	None	109,769	-
Wisconsin Department of Administration Emergency Solutions Grant Program	14.231	ETH 19-01/EHH 20-01	654,544	441,352
Home Investment Partnerships Program	14.239	TBRA 19-01	197,736	-
WIBOSCOC Continuum of Care Program	14.267	DV RRH 19-20/DV RRH 20-21	137,370	-
Emergency Solutions Grant Program	14.231		3,531	-
City of Appleton Continuum of Care Program	14.267	WI0022L51001800 and W10022L51001901	52,600	-
Emergency Solutions Grant Program	14.231	EHH 19-02 and EHH 20-02	58,659	-
Continuum of Care Program - Direct	14.267		497,189	-
Total U.S. Department of Housing and Urban Development			<u>1,711,398</u>	<u>441,352</u>
U.S. DEPARTMENT OF TREASURY				
Wisconsin DOA Wisconsin Emergency Rental Assistance Program	21.023		302,473	-

ADVOCAP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued
YEAR ENDED DECEMBER 31, 2021

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Pass-Through Expenditures
U.S. DEPARTMENT OF JUSTICE				
Project Aspire Transitional Housing Assistance - Direct	16.736		<u>105,472</u>	<u>8,307</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Wisconsin Department of Transportation		None		
Highway Safety Cluster				
New Freedom Program	20.521		<u>57,935</u>	<u>-</u>
Total Highway Safety Cluster			<u>57,935</u>	<u>-</u>
Total U.S. Department of Transportation			<u>57,935</u>	<u>-</u>
SMALL BUSINESS ADMINISTRATION				
Microloan Grant Program - Direct	59.046		54,459	-
Program for Investment in Microentrepreneurs (PRIME) - Direct	59.050		<u>180,959</u>	<u>-</u>
Total Small Business Administration			<u>235,418</u>	<u>-</u>
U.S. DEPARTMENT OF ENERGY				
Wisconsin Department of Administration		WX2021.01 / WX1920.01		
Weatherization Assistance for Low-Income Persons	81.042		<u>577,723</u>	<u>-</u>
Total U.S. Department of Energy			<u>577,723</u>	<u>-</u>
U.S. DEPARTMENT OF EDUCATION				
Wisconsin Department of Vocational Rehabilitation		None		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		<u>12,300</u>	<u>-</u>
Total U.S. Department of Education			<u>12,300</u>	<u>-</u>

ADVOCAP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued
YEAR ENDED DECEMBER 31, 2021

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Pass-Through Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Winnebago County		None		
Aging Cluster				
Winnebago County Nutrition Home Delivered and Congregate Meals	93.044		137,431	-
Winnebago County Nutrition Home Delivered and Congregate Meals	93.045		601,400	-
Winnebago County Nutrition Home Delivered and Congregate Meals	93.053		<u>85,804</u>	-
Total Aging Cluster			<u>824,635</u>	-
Wisconsin Department of Administration		WX2021.01 / WX1920.01		
Low Income Home Energy Assistance	93.568		<u>603,995</u>	-
Head Start - Direct	93.600		<u>3,113,833</u>	-
Total U.S. Department of Health and Human Services			<u>4,542,463</u>	-
U.S. DEPARTMENT OF CHILDREN AND FAMILIES				
Wisconsin Department of Health Services		437004-G20-0001511-000-01		
477 Cluster				
Community Services Block Grant	93.569		<u>460,686</u>	-
Total 477 Cluster			<u>460,686</u>	-
CORPORATION FOR NATIONAL COMMUNITY SERVICE				
Retired and Senior Volunteer Program - Direct	94.002		181,773	-
Foster Grandparent Program - Direct	94.011		<u>195,786</u>	-
Total Corporation for National Community Service			<u>377,559</u>	-
Total Expenditures of Federal Awards			<u>\$ 9,736,786</u>	<u>\$ 475,474</u>

ADVOCAP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued
YEAR ENDED DECEMBER 31, 2021

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>
WISCONSIN DEPARTMENT OF HEALTH SERVICES				
Retired Senior Volunteer Program	435.560390		\$ 26,221	\$ -
State Foster Grandparent Program	435.560450		44,334	-
WISCAP/ Job and Business Development	Unknown		<u>50,500</u>	<u>-</u>
Total Wisconsin Department of Health Services			<u>121,055</u>	<u>-</u>
WISCONSIN DEPARTMENT OF TRANSPORTATION				
Transportation Employment and Mobility Program	Unknown		<u>261,520</u>	<u>-</u>
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION				
Head Start Supplemental Funds	255.327		<u>107,828</u>	<u>-</u>
WISCONSIN DEPARTMENT OF ADMINISTRATION				
Shelter Subsidy Grant	Unknown		7,001	-
HCRI Homeowner Loan Program and Administration	Unknown		74,705	-
Public Benefits - Weatherization	505.371		<u>1,395,821</u>	<u>-</u>
Total Wisconsin Department of Administration			<u>1,477,527</u>	<u>-</u>
WISCONSIN DIVISION OF ENERGY				
Home Energy Assistance Program	505.371		<u>260,141</u>	<u>-</u>
WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES				
Skills Enhancement	437.1750		<u>7,767</u>	<u>-</u>
Total Expenditures of State Awards			<u>\$ 2,235,838</u>	<u>\$ -</u>

ADVOCAP, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

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, 2021

	DESIGNATED												
	Department of Agriculture (DOA)										HUD		
	10.351	10.433	10.569	10.558	10.568		10.769			10.870	14.228		
	WISCAP Rural Business Development	Housing Preservation Loan	Commodity Food Distribution	USDA Reimbursement Head Start	Emergency Food Assistance Program (TEFAP)		10.568 Subtotal	Rural Business Enterprise Grant	Rural Business Development	10.769 Subtotal	RMAP Loan and Tech Assist.	Community Development Block Grant Funds	
Total	Grant (1)	Program (2)	(3)	(4)	2020/2021 (5)	2021/2022 (6)	(7)	(8)	(9)	(10)			
Revenues:													
Government awards	\$ 11,755,216	\$ 12,200	\$ -	\$ -	\$ 106,914	\$ 90,906	\$ 8,751	\$ 99,657	\$ -	\$ -	\$ -	\$ 25,769	\$ 109,769
Program income	668,061	-	-	-	-	-	-	-	-	-	-	-	-
Other services	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	3,924	-	-	-	-	-	-	-	-	-	-	-	-
Investment return	71,929	-	-	-	-	-	-	-	1,186	1,186	1,728	-	-
Contributions	247,256	-	-	-	-	-	-	-	-	-	-	-	-
Commodities	1,108,819	-	-	1,108,819	-	-	-	-	-	-	-	-	-
In-Kind Revenue	222,535	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	14,083,740	12,200	-	1,108,819	106,914	90,906	8,751	99,657	-	1,186	1,186	27,497	109,769
Expenses:													
Personnel Costs	7,315,447	11,877	-	-	45,863	20,764	4,661	25,425	-	-	-	25,769	35,891
Professional Services	93,070	21	-	-	-	149	48	197	-	-	-	-	85
Office Operating Expenses	430,041	117	-	-	-	1,727	588	2,315	-	-	-	-	2,939
Facilities	687,430	143	-	-	-	4,863	1,608	6,471	-	-	-	3,342	28,100
Travel	54,179	2	-	-	-	490	69	559	-	-	-	-	1,813
Training	46,222	3	-	-	-	6	-	6	-	-	-	-	25
Participant and Volunteer Expenses	834,447	1	-	-	-	3	1	4	-	-	-	-	16,866
Subcontractors	1,401,622	30	-	-	-	2,396	-	2,396	-	-	-	-	-
Program Materials	1,112,319	-	-	-	61,051	6,067	1,695	7,762	-	-	-	-	24,033
Vehicle Operation	269,646	1	-	-	-	-	77	77	-	-	-	-	1
Tools and Equipment	165,140	5	-	-	-	54,441	4	54,445	-	-	-	-	16
Other	621,508	-	-	-	-	-	-	-	-	-	-	1	-
Commodities	1,108,819	-	-	1,108,819	-	-	-	-	-	-	-	-	-
In-Kind	222,535	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	14,362,425	12,200	-	1,108,819	106,914	90,906	8,751	99,657	-	-	-	29,112	109,769
Excess of Revenues (Expenses)	(278,685)	-	-	-	-	-	-	-	-	1,186	1,186	(1,615)	-
Net Assets - January 1, 2021	10,936,428	-	50,000	-	-	-	-	-	28,874	150,502	179,376	(7,867)	-
Funds Transferred	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets - Subsidiary	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	10,657,726	-	50,000	-	-	-	-	-	28,874	151,688	180,562	(9,482)	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2021	\$ 10,657,726	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,874	\$ 151,688	\$ 180,562	\$ (9,482)	\$ -

ADVOCAP, INC.
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued
For the Year Ended December 31, 2021

	DESIGNATED													
	Department of Housing and Urban Development (HUD)													
	14,231								14,239					
	WIDOA HUD EHH Grant 2020/2021 (11)	WIDOA HUD EHH Grant 2021/2022 (12)	WIDOA HUD EHH Grant-CV 2020-2022 (13)	WIBOSCOC HUD HP Program 2021/2022 (14)	City of Appleton WIDOA HAP RRH 2020/2021 (15)	City of Appleton WIDOA HAP RRH Expansion 2020/2021 (16)	City of Appleton HUD EHH Grant 2020/2021 (17)	City of Appleton HUD EHH Grant 2021/2022 (18)	14,231 Subtotal	HOME/CHBR Rehabilitation Programs Loan Funds (19)	HOME/HRA Rehabilitation Programs Loan Funds (20)	HOME/CHBR Rehabilitation Programs Administration (21)		
Revenues:														
Government awards	\$ 108,158	\$ 25,453	\$ 520,933	\$ 3,531	\$ 7,871	\$ 3,870	\$ 37,287	\$ 9,631	\$ 716,734	\$ -	\$ -	\$ -		
Program income	-	-	-	-	-	-	-	-	-	-	-	-		
Other services	-	-	-	-	-	-	-	-	-	-	-	-		
Corporate funds	-	-	-	-	-	-	-	-	-	-	-	-		
Investment return	-	-	-	-	-	-	-	-	-	-	-	-		
Contributions	-	-	-	-	-	-	-	-	-	-	-	-		
Commodities	-	-	-	-	-	-	-	-	-	-	-	-		
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-	-		
Total Revenues	<u>108,158</u>	<u>25,453</u>	<u>520,933</u>	<u>3,531</u>	<u>7,871</u>	<u>3,870</u>	<u>37,287</u>	<u>9,631</u>	<u>716,734</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Expenses:														
Personnel Costs	59,666	13,215	12,682	2,364	4,157	5,002	14,745	3,721	115,552	-	-	8,167		
Professional Services	641	270	185	-	15	22	184	58	1,375	-	-	50		
Office Operating Expenses	1,390	602	824	-	152	214	701	260	4,143	-	-	409		
Facilities	2,124	634	933	-	124	188	598	190	4,791	-	-	338		
Travel	87	23	54	-	1	1	85	20	271	-	-	174		
Training	17	-	9	-	2	2	5	-	35	-	-	2		
Participant and Volunteer Expenses	34,088	3,556	92,698	1,167	5,073	1	27,315	7,204	171,102	5,000	-	2		
Subcontractors	21,462	7,192	413,524	-	-	-	-	-	442,178	8,880	-	-		
Program Materials	-	-	-	-	-	-	-	-	-	-	-	-		
Vehicle Operation	22	2	7	-	-	-	1	-	32	-	-	2		
Tools and Equipment	22	16	13	-	1	2	6	3	63	-	-	6		
Other	36	-	4	-	-	-	3	-	43	433,787	181,139	-		
Commodities	-	-	-	-	-	-	-	-	-	-	-	-		
In-Kind	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenses	<u>119,555</u>	<u>25,510</u>	<u>520,933</u>	<u>3,531</u>	<u>9,525</u>	<u>5,432</u>	<u>43,643</u>	<u>11,456</u>	<u>739,585</u>	<u>447,667</u>	<u>181,139</u>	<u>9,150</u>		
Excess of Revenues (Expenses)	(11,397)	(57)	-	-	(1,654)	(1,562)	(6,356)	(1,825)	(22,851)	(447,667)	(181,139)	(9,150)		
Net Assets - January 1, 2021	-	-	-	-	-	-	-	-	-	3,725,158	1,656,540	-		
Funds Transferred	11,397	57	-	-	1,654	1,562	6,356	1,825	22,851	-	-	9,150		
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-		
Net Assets - Designated	-	-	-	-	-	-	-	-	-	3,277,491	1,475,401	-		
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-	-		
Total Net Assets - December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,277,491</u>	<u>\$ 1,475,401</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, 2021

DESIGNATED											
Department of Housing and Urban Development (HUD)											
14,239				14,267							
WIDOA Tenant-Based Rental Assistance Program 19-21 (22)	WIDOA Tenant-Based Rental Assistance Program 20-22 (23)	RHD HOME Loan Program (24)	14,239 Subtotal	HUD Continuum of Care Program WI0004L5I001912 (25)	HUD Continuum of Care Program WI0146L5I001905 (26)	HUD Continuum of Care Program WI0147L5I001905 (27)	HUD Continuum of Care Program WI0164L5I001904 (28)	HUD Continuum of Care Program WI0004L5I002013 (29)	WIBOSCOC DV RRH Project 2020/2021 (30)	WIBOSCOC DV RRH Project 2021/2022 (31)	
Revenues:											
Government awards	\$ 132,187	\$ 65,549	\$ -	\$ 197,736	\$ 66,414	\$ 103,237	\$ 194,095	\$ 111,025	\$ 22,418	\$ 88,874	\$ 21,426
Program income	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	51,394	51,394	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	132,187	65,549	51,394	249,130	66,414	103,237	194,095	111,025	22,418	88,874	21,426
Expenses:											
Personnel Costs	13,737	5,916	-	27,820	38,679	63,214	125,514	66,757	13,532	32,931	9,500
Professional Services	377	392	-	819	339	681	1,306	598	155	522	156
Office Operating Expenses	63	238	-	710	924	1,968	3,986	2,244	554	1,172	410
Facilities	97	262	-	697	1,036	2,097	4,168	3,412	495	1,355	335
Travel	4	32	-	210	32	161	683	296	6	176	29
Training	-	1	-	3	19	16	23	15	-	9	-
Participant and Volunteer Expenses	118,467	59,593	-	183,062	19,830	35,058	40,378	24,091	5,090	52,880	8,142
Subcontractors	-	-	-	8,880	-	-	-	-	-	-	-
Program Materials	-	-	-	-	-	-	-	-	-	-	-
Vehicle Operation	-	1	-	3	11	11	58	20	3	12	1
Tools and Equipment	2	21	-	29	22	34	63	32	10	12	8
Other	2	-	-	614,928	32	6	12	7	-	18	-
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	132,749	66,456	-	837,161	60,924	103,246	176,191	97,472	19,845	89,087	18,581
Excess of Revenues (Expenses)	(562)	(907)	51,394	(588,031)	5,490	(9)	17,904	13,553	2,573	(213)	2,845
Net Assets - January 1, 2021	-	-	1,981,249	7,362,947	-	-	-	-	-	-	-
Funds Transferred	562	907	-	10,619	(5,490)	9	(17,904)	(13,553)	(2,573)	213	(2,845)
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	2,032,643	6,785,535	-	-	-	-	-	-	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2021	\$ -	\$ -	\$2,032,643	\$ 6,785,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ADVOCAP, INC.
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued
For the Year Ended December 31, 2021

	DESIGNATED									
	Department of Housing and Urban Development (HUD)						Dept. of Justice	Department of Transportation		
	14,267						14,905	16,736	20,516	20,521
	WIBOSCOC Supportive Services for Coordinated Entry 2020/2021 (32)	WIBOSCOC Supportive Services for Coordinated Entry 2021/2022 (33)	WIBOSCOC Supportive Services for Coord. Entry DV Only 2021/2022 (34)	City of Appleton Continuum of Care Rapid Rehousing Program (35)	City of Appleton Continuum of Care Rapid Rehousing Expansion Program (36)	14,267 Subtotal	Lead Hazard Reduction Loan Program (37)	Office on Violence Against Women Project Aspire (38)	WINR Loan Program (41)	WI Dept of Transp. Section 5310 Program (42)
Revenues:										
Government awards	\$ 8,212	\$ 16,860	\$ 1,998	\$ 43,356	\$ 9,244	\$ 687,159	\$ -	\$ 105,472	\$ -	\$ 57,935
Program income	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	36,263
Total Revenues	8,212	16,860	1,998	43,356	9,244	687,159	-	105,472	-	94,198
Expenses:										
Personnel Costs	10,931	19,279	1,910	37,679	3,643	423,569	-	52,907	-	42,804
Professional Services	106	102	6	239	81	4,291	-	575	-	301
Office Operating Expenses	571	812	37	1,270	365	14,313	-	1,471	-	1,318
Facilities	422	652	43	1,088	277	15,380	-	2,188	-	1,303
Travel	5	4	1	158	7	1,558	-	79	-	27
Training	-	9	-	8	3	102	-	13	-	14
Participant and Volunteer Expenses	2	2	-	2,566	5,701	193,740	-	42,451	-	377
Subcontractors	-	-	-	-	-	-	-	8,307	-	-
Program Materials	-	-	-	-	-	-	-	-	-	-
Vehicle Operation	3	3	-	3	1	126	-	22	-	65
Tools and Equipment	5	11	1	12	3	213	-	27	-	32
Other	-	-	-	1	1	77	-	1	-	1
Commodities	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	-	-	36,263
Total Expenses	12,045	20,874	1,998	43,024	10,082	653,369	-	108,041	-	82,505
Excess of Revenues (Expenses)	(3,833)	(4,014)	-	332	(838)	33,790	-	(2,569)	-	11,693
Net Assets - January 1, 2021	-	-	-	-	-	-	58,266	-	12,869	-
Funds Transferred	3,833	4,014	-	(332)	838	(33,790)	-	2,569	-	(11,693)
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	-	-	-	58,266	-	12,869	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,266	\$ -	\$ 12,869	\$ -

ADVOCAP, INC.
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued
For the Year Ended December 31, 2021

	DESIGNATED										
	Dept. of Treasury	Small Business Administration		Dept. of Energy			Dept. of Educ	DHHS	Department of Health and Human Services (DHHS)		
	21.023	59.046	59.050	81.042			84.126	93.044	93.045	93.053	93.568
		Program for	DOE	DOE				Winn Cnty	Winn Cnty	Winn Cnty	LIEAP
	Wisconsin Emergency	Microloan	Investment in	Weather-	Weather-	81.042	Community	Home Delivery	Home Delivery	Home Delivery	Weather-
	Rental Assistance	Grant	Microentrepreneurs	ization	ization	Subtotal	Employment	& Congregate	& Congregate	& Congregate	ization
	Program	Program	PRIME	WX2021.01	WX2122.01		DVR Funding	Meals	Meals	Meals	WX2021.01
	(43)	(44)	(45)	(46)	(47)		(48)	(49)	(50)	(51)	(52)
Revenues:											
Government awards	\$ 302,473	\$ 54,459	\$ 180,959	\$ 300,093	\$ 277,630	\$ 577,723	\$ 12,300	\$ 137,431	\$ 601,400	\$ 85,804	\$ 346,113
Program income	-	-	-	-	-	-	-	32,660	142,921	20,556	-
Other services	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	5,356	23,439	3,371	-
Total Revenues	<u>302,473</u>	<u>54,459</u>	<u>180,959</u>	<u>300,093</u>	<u>277,630</u>	<u>577,723</u>	<u>12,300</u>	<u>175,447</u>	<u>767,760</u>	<u>109,731</u>	<u>346,113</u>
Expenses:											
Personnel Costs	275,633	50,476	177,039	196,459	174,645	371,104	15,420	156,103	429,842	16,839	191,920
Professional Services	1,200	94	1,104	1,462	1,180	2,642	153	1,357	6,645	275	2,241
Office Operating Expenses	13,038	1,055	3,641	5,378	9,782	15,160	548	4,604	52,202	976	6,674
Facilities	11,561	1,932	9,343	5,718	7,512	13,230	551	2,857	25,165	561	7,174
Travel	479	448	204	309	231	540	92	1,785	11,322	63	94
Training	103	110	39	8,095	3,992	12,087	77	277	-	-	4
Participant and Volunteer Expenses	48	10	33	8	36	44	5	95	191	2	10
Subcontractors	-	310	-	45,892	50,111	96,003	-	96	9,243	61	94,475
Program Materials	-	-	-	36,636	29,968	66,604	-	862	174,542	86,329	43,393
Vehicle Operation	217	6	19	83	30	113	4	1,905	34,098	1,195	74
Tools and Equipment	191	18	70	39	143	182	8	141	1,029	54	39
Other	3	-	1	14	-	14	21	9	42	5	15
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	-	5,356	23,439	3,371	-
Total Expenses	<u>302,473</u>	<u>54,459</u>	<u>191,493</u>	<u>300,093</u>	<u>277,630</u>	<u>577,723</u>	<u>16,879</u>	<u>175,447</u>	<u>767,760</u>	<u>109,731</u>	<u>346,113</u>
Excess of Revenues (Expenses)	-	-	(10,534)	-	-	-	(4,579)	-	-	-	-
Net Assets - January 1, 2021	-	-	-	-	-	-	-	14,275	36,431	8,268	-
Funds Transferred	-	-	10,534	-	-	-	4,579	-	-	-	-
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	-	-	-	-	14,275	36,431	8,268	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,275</u>	<u>\$ 36,431</u>	<u>\$ 8,268</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, 2021

	DESIGNATED											
	Dept. of Health and Human Services (DHHS)											
	93.568		93.569			93.576	93.600			93.600	94.002	94.011
	LIEAP	Weather-	Community	Community	Refugee	Head Start	Training &	Head Start	CFNCS	CFNCS	CFNCS	CFNCS
WX2021.01	ization	Services	Services	Business	Full-Year/	Technical	Head Start	RSVP	Grandparent	Grandparent	Grandparent	
(53)	Subtotal	Block Grant	Block Grant	Loan	Part Day	Assistance	CARES Act	Program	Program	Program	Program	
	93.568	(54)	(55)	93.569	(56)	(57)	(58)	(59)	93.600	(60)	(61)	
Revenues:												
Government awards	\$ 257,882	\$ 603,995	\$ 454,663	\$ 6,023	\$ 460,686	\$ -	\$ 2,947,361	\$ 29,431	\$ 137,041	\$ 3,113,833	\$ 181,773	\$ 195,786
Program income	-	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	1,388	-	1,388	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	137,163	-	137,163	-	-	-
Total Revenues	<u>257,882</u>	<u>603,995</u>	<u>454,663</u>	<u>6,023</u>	<u>460,686</u>	<u>-</u>	<u>3,085,912</u>	<u>29,431</u>	<u>137,041</u>	<u>3,252,384</u>	<u>181,773</u>	<u>195,786</u>
Expenses:												
Personnel Costs	146,690	338,610	208,501	226	208,727	-	2,428,762	360	4,416	2,433,538	128,729	78,848
Professional Services	1,621	3,862	17,149	-	17,149	-	28,617	-	-	28,617	1,304	849
Office Operating Expenses	9,013	15,687	14,943	264	15,207	-	142,639	-	43	142,682	13,831	9,465
Facilities	7,007	14,181	16,576	-	16,576	-	152,619	-	78	152,697	5,579	3,188
Travel	55	149	3,100	-	3,100	-	17,604	42	126	17,772	1,767	2,073
Training	86	90	2,924	-	2,924	-	-	29,029	-	29,029	96	26
Participant and Volunteer Expenses	30	40	1,960	5,522	7,482	-	13,919	-	-	13,919	29,783	96,164
Subcontractors	57,932	152,407	1,536	-	1,536	-	52,417	-	-	52,417	-	-
Program Materials	35,305	78,698	-	11	11	-	45,033	-	28,469	73,502	437	5,093
Vehicle Operation	21	95	820	-	820	-	54,494	-	61,507	116,001	141	37
Tools and Equipment	122	161	930	-	930	-	11,908	-	42,402	54,310	102	42
Other	-	15	12	-	12	-	737	-	-	737	4	1
Commodities	-	-	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	-	-	-	137,163	-	137,163	-	-	-
Total Expenses	<u>257,882</u>	<u>603,995</u>	<u>268,451</u>	<u>6,023</u>	<u>274,474</u>	<u>-</u>	<u>3,085,912</u>	<u>29,431</u>	<u>137,041</u>	<u>3,252,384</u>	<u>181,773</u>	<u>195,786</u>
Excess of Revenues (Expenses)	-	-	186,212	-	186,212	-	-	-	-	-	-	-
Net Assets - January 1, 2021	-	-	-	-	-	(17,946)	-	-	-	-	-	-
Funds Transferred	-	-	(186,212)	-	(186,212)	-	-	-	-	-	-	-
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	-	-	(17,946)	-	-	-	-	-	-
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,946)</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, 2021

	DESIGNATED											
	Other State and Local Funds											
	255.327	435.560390				Public		Public		Wisconsin DOE	Wisconsin DOE	
	Total	State	State	Wisconsin Dept.	Wisconsin	Benefits	Benefits	Home Energy	Home Energy	HCRI		
Federal	Wisc DPI	Retired	Foster	Children and	DOA	Weather-	Weather-	Assistance	Assistance	Homeowner		
Funds	Head Start	Senior	Grandparent	Families	Shelter	ization	ization	Program	Program	Loan		
	Funds	Volunteers	Program	Skills Enhancement	Subsidy	WX2021.01	WX2122.01	2020/2021	2021/2022	Program		
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)		
Revenues:												
Government awards	\$ 8,627,967	\$ 107,828	\$ 26,221	\$ 44,334	\$ 7,767	\$ 7,001	\$ 768,202	\$ 627,619	\$ 149,640	\$ 110,501	\$ 60,950	
Program income	196,137	-	-	-	-	-	-	-	-	-	897	
Other services	-	-	-	-	-	-	-	-	-	-	-	
Corporate funds	-	-	-	-	-	-	-	-	-	-	-	
Investment return	54,308	-	-	-	-	-	-	-	-	-	-	
Contributions	1,388	-	-	-	-	-	-	-	-	-	-	
Commodities	1,108,819	-	-	-	-	-	-	-	-	-	-	
In-Kind Revenue	205,592	-	-	-	-	-	-	-	-	-	-	
Total Revenues	<u>10,194,211</u>	<u>107,828</u>	<u>26,221</u>	<u>44,334</u>	<u>7,767</u>	<u>7,001</u>	<u>768,202</u>	<u>627,619</u>	<u>149,640</u>	<u>110,501</u>	<u>61,847</u>	
Expenses:												
Personnel Costs	5,488,385	99,778	24,428	41,511	5,901	-	384,678	287,662	28,336	12,861	-	
Professional Services	72,915	250	140	226	51	-	4,191	3,577	860	299	-	
Office Operating Expenses	315,422	1,250	520	1,170	151	-	25,095	20,695	1,060	776	-	
Facilities	319,836	1,000	1,102	1,235	383	-	15,839	12,123	1,091	652	-	
Travel	44,313	500	4	9	6	-	1,186	1,753	8	7	-	
Training	45,059	-	5	5	1	-	132	176	6	-	-	
Participant and Volunteer Expenses	755,419	-	2	94	1,272	7,001	112	1,044	3	3	-	
Subcontractors	773,864	450	-	-	-	-	174,916	220,903	117,710	95,889	-	
Program Materials	578,924	2,600	-	56	-	-	39,746	54,260	-	-	-	
Vehicle Operation	154,978	2,000	10	9	-	-	84,063	15,149	549	1	-	
Tools and Equipment	112,068	-	10	19	2	-	38,222	10,277	15	13	-	
Other	615,915	-	-	-	-	-	22	-	2	-	3,891	
Commodities	1,108,819	-	-	-	-	-	-	-	-	-	-	
In-Kind	205,592	-	-	-	-	-	-	-	-	-	-	
Total Expenses	<u>10,591,509</u>	<u>107,828</u>	<u>26,221</u>	<u>44,334</u>	<u>7,767</u>	<u>7,001</u>	<u>768,202</u>	<u>627,619</u>	<u>149,640</u>	<u>110,501</u>	<u>3,891</u>	
Excess of Revenues (Expenses)	(397,298)	-	-	-	-	-	-	-	-	-	57,956	
Net Assets - January 1, 2021	7,696,619	-	-	-	-	-	-	-	-	-	1,151,224	
Funds Transferred	(180,543)	-	-	-	-	-	-	-	-	-	(5,125)	
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	
Net Assets - Designated	7,118,778	-	-	-	-	-	-	-	-	-	1,204,055	
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-	
Total Net Assets - December 31, 2021	<u>\$ 7,118,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,204,055</u>	

ADVOCAP, INC.
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued
For the Year Ended December 31, 2021

	DESIGNATED										
	Other State and Local Funds										
	WI Dept of Transp.		WI Dept of Transp.								
	HCRI Homeowner Loan Program Admin (73)	State ID 85.24 WETAP Program Capital (39)	State ID 85.24 WETAP Program Operating (40)	Winn Cty-Consldtd Appropriations Act Home Delivery Meals (75)	Winn. County Home Delivery & Congregate Meals (76)	Winn. County Sr. Friends Transportation & PASS Prog. (77)	WI DHS WISCAP JBD Funds GPR (78)	Head Start School District Funds (79)	Oshkosh Area United Way Homeless Job Placement (80)	Oshkosh Area United Way Skills (81)	Oshkosh Area United Way Bridges (82)
Revenues:											
Government awards	\$ 13,755	\$ 196,586	\$ 64,934	\$ 76,134	\$ 358,567	\$ 144,190	\$ 50,500	\$ 244,020	\$ -	\$ -	\$ -
Program income	-	384	-	18,093	85,212	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	18,000	3,890	60,232
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	2,967	13,976	-	-	-	-	-	-
Total Revenues	13,755	196,970	64,934	97,194	457,755	144,190	50,500	244,020	18,000	3,890	60,232
Expenses:											
Personnel Costs	5,247	-	169,335	90,956	69,806	127,780	46,652	214,072	26	127	37,510
Professional Services	51	-	842	242	1,138	845	1,408	1,925	15	22	583
Office Operating Expenses	200	-	8,168	859	4,047	7,177	1,209	11,336	-	1	1,035
Facilities	196	-	7,856	494	2,326	6,873	1,083	13,783	-	1	1,119
Travel	527	-	2,639	56	262	509	103	63	-	47	15
Training	2	-	114	-	-	558	7	110	-	-	10
Participant and Volunteer Expenses	1	-	37	2	9	167	7	22	-	3,692	19,905
Subcontractors	-	-	-	53	251	-	-	-	-	-	-
Program Materials	-	-	-	462	360,743	26	-	472	-	-	-
Vehicle Operation	1	-	207	1,052	4,953	173	9	36	-	-	35
Tools and Equipment	3	-	119	47	223	78	21	2,172	-	-	19
Other	-	107	5	4	21	4	1	29	-	-	1
Commodities	-	-	-	-	-	-	-	-	-	-	-
In-Kind	-	-	-	2,967	13,976	-	-	-	-	-	-
Total Expenses	6,228	107	189,322	97,194	457,755	144,190	50,500	244,020	41	3,890	60,232
Excess of Revenues (Expenses)	7,527	196,863	(124,388)	-	-	-	-	-	17,959	-	-
Net Assets - January 1, 2021	-	863,628	-	-	16,278	-	-	-	-	-	-
Funds Transferred	(7,527)	(112,695)	124,388	-	-	-	-	-	(17,959)	-	-
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Net Assets – Designated	-	947,796	-	-	16,278	-	-	-	-	-	-
Net Assets – Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets – December 31, 2021	\$ -	\$ 947,796	\$ -	\$ -	\$ 16,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ADVOCAP, INC.
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued
For the Year Ended December 31, 2021

	DESIGNATED													TOTAL DESIGNATED
	Other State and Local Funds													
	Oshkosh Area United Way Nutrition (83)	Fox Cities United Way Nutrition (84)	Ripon United Way (85)	Oshkosh Area Community Foundation Green Lake (86)	Oshkosh Area Community Foundation (87)	National Exchange Bank Foundation Contribution (88)	Associated Bank (89)	Saint. Vincent DePaul (90)	Other Local Grants (91)	Funds for Fines Revolving Loan Program (92)	Community Investment Program (93)	Housing Revolving Loan Fund (94)	Other State and Local Subtotal	
Revenues:														
Government awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,058,749	\$ 11,686,716
Program income	-	-	-	-	-	-	-	-	-	-	-	-	104,586	300,723
Other services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment return	-	-	-	-	-	-	-	-	-	-	-	-	-	54,308
Contributions	15,500	48,841	874	14,211	29,325	29,672	3,352	500	-	-	-	-	224,397	225,785
Commodities	-	-	-	-	-	-	-	-	-	-	-	-	-	1,108,819
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-	-	16,943	222,535
Total Revenues	<u>15,500</u>	<u>48,841</u>	<u>874</u>	<u>14,211</u>	<u>29,325</u>	<u>29,672</u>	<u>3,352</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,404,675</u>	<u>13,598,886</u>
Expenses:														
Personnel Costs	-	-	-	-	65	174	-	-	-	-	-	-	1,646,905	7,135,290
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	16,665	89,580
Office Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	84,749	400,171
Facilities	-	-	-	-	-	-	-	-	-	-	-	-	67,156	386,992
Travel	-	-	-	-	-	-	-	-	-	-	-	-	7,694	52,007
Training	-	-	-	-	-	-	-	-	-	-	-	-	1,126	46,185
Participant and Volunteer Expenses	-	-	-	14,211	8,526	18,964	3,352	500	-	-	-	-	78,926	834,345
Subcontractors	-	-	874	-	10,725	-	-	-	-	-	-	-	621,771	1,395,635
Program Materials	15,500	48,841	-	-	10,009	-	-	-	-	-	-	-	532,715	1,111,639
Vehicle Operation	-	-	-	-	-	-	-	-	-	-	-	-	108,247	263,225
Tools and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	51,240	163,308
Other	-	-	-	-	-	-	-	-	-	-	-	-	4,087	620,002
Commodities	-	-	-	-	-	-	-	-	-	-	-	-	-	1,108,819
In-Kind	-	-	-	-	-	-	-	-	-	-	-	-	16,943	222,535
Total Expenses	<u>15,500</u>	<u>48,841</u>	<u>874</u>	<u>14,211</u>	<u>29,325</u>	<u>19,138</u>	<u>3,352</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,238,224</u>	<u>13,829,733</u>
Excess of Revenues (Expenses)	-	-	-	-	-	10,534	-	-	-	-	-	-	166,451	(230,847)
Net Assets - January 1, 2021	-	-	-	8,000	60,661	-	-	-	5,300	6,549	192,000	27,545	2,331,185	10,027,804
Funds Transferred	-	-	-	-	-	(10,534)	-	-	-	-	-	-	(29,452)	(209,995)
Change in Net Assets - Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets - Designated	-	-	-	8,000	60,661	-	-	-	5,300	6,549	192,000	27,545	2,468,184	9,586,962
Net Assets - Undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets - December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 60,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,300</u>	<u>\$ 6,549</u>	<u>\$ 192,000</u>	<u>\$ 27,545</u>	<u>\$ 2,468,184</u>	<u>\$ 9,586,962</u>

ADVOCAP, INC.
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued
 For the Year Ended December 31, 2021

	UNDESIGNATED			
	Sales of Services (95)	Affordable Rental Housing For Low Income People (96)	Corporate Funds (97)	TOTAL UNDESIGNATED
Revenues:				
Government awards	\$ -	\$ -	\$ 68,500	\$ 68,500
Program income	11,338	346,808	9,192	367,338
Other services	6,000	-	-	6,000
Corporate funds	-	-	3,924	3,924
Investment return	2,201	-	15,420	17,621
Contributions	-	-	21,471	21,471
Commodities	-	-	-	-
In-Kind Revenue	-	-	-	-
Total Revenues	<u>19,539</u>	<u>346,808</u>	<u>118,507</u>	<u>484,854</u>
Expenses:				
Personnel Costs	1,265	178,044	848	180,157
Professional Services	46	2,419	1,025	3,490
Office Operating Expenses	267	28,024	1,579	29,870
Facilities	10,026	290,057	355	300,438
Travel	40	2,132	-	2,172
Training	-	37	-	37
Participant and Volunteer Expenses	21	81	-	102
Subcontractors	5,837	150	-	5,987
Program Materials	-	585	95	680
Vehicle Operation	20	6,401	-	6,421
Tools and Equipment	-	1,831	1	1,832
Other	30	1,475	1	1,506
Commodities	-	-	-	-
In-Kind	-	-	-	-
Total Expenses	<u>17,552</u>	<u>511,236</u>	<u>3,904</u>	<u>532,692</u>
Excess of Revenues (Expenses)	1,987	(164,428)	114,603	(47,838)
Net Assets - January 1, 2021				
Funds Transferred	(1,987)	164,428	47,554	209,995
Change in Net Assets - Subsidiary	-	-	(17)	(17)
Net Assets – Designated	-	-	-	-
Net Assets – Undesignated	-	-	<u>1,070,764</u>	<u>1,070,764</u>
Total Net Assets – December 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,070,764</u>	<u>\$ 1,070,764</u>

ADVOCAP, INC.
RESERVE SUPPLEMENTAL SCHEDULE
YEAR ENDED DECEMBER 31, 2021

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	\$ 1,183,202	\$ 1,183,202	\$ -	\$ 59,160	\$ -
PASS Program	County	144,190	144,190	-	7,210	-

ADVOCAP, INC.

**SCHEDULE OF NUTRITION AND TRANSPORTATION PROGRAMS FOR THE ELDERLY
CHANGES IN CASH BALANCES - WINNEBAGO COUNTY, WISCONSIN
YEAR ENDED DECEMBER 31, 2021**

	<u>Grant</u>	<u>Program Income</u>	<u>USDA</u>	<u>Winnebago County</u>	<u>Total</u>
Cash balance on 1-1-2021					\$ 75,252
Received:					
Federal III-C-2	\$ 591,541	\$ 218,331	\$ 62,562	\$ 261,440	\$ 1,133,874
CARES B	-	-	-	-	-
FFCRA C2	-	-	-	-	-
CARES C2	76,134	27,639	7,920	33,097	144,790
Federal III-B	137,431	49,893	14,296	59,744	261,364
Senior Comm Serv (state)	<u>9,859</u>	<u>3,579</u>	<u>1,026</u>	<u>4,286</u>	<u>18,750</u>
TOTAL RECEIVED	\$ 814,965	\$ 299,442	\$ 85,804	\$ 358,567	\$ 1,558,778
Expenditures:					
Congregate Nutrition	\$ -	\$ -	\$ -	\$ -	\$ -
Home Delivered Nutrition	805,106	295,863	84,778	354,281	1,540,028
Senior Comm Serv (state)	<u>9,859</u>	<u>3,579</u>	<u>1,026</u>	<u>4,286</u>	<u>18,750</u>
TOTAL EXPENDITURES	\$ 814,965	\$ 299,442	\$ 85,804	\$ 358,567	\$ 1,558,778
Cash balance on 12-31-2021					\$ 75,252

Reconciliation to Schedule of Federal Awards:

	<u>Total</u>	<u>In-Kind</u>	<u>Cash</u>
Home Delivered & Congregate (Column 49)	\$ 175,447	\$ 5,356	\$ 170,091
Home Delivered & Congregate (Column 50)	767,760	23,439	744,321
Home Delivered & Congregate (Column 51)	109,731	3,371	106,360
Home Delivered & Congregate (Column 75)	97,194	2,967	94,227
Home Delivered & Congregate (Column 76)	<u>457,755</u>	<u>13,976</u>	<u>443,779</u>
	<u>\$ 1,607,887</u>	<u>\$ 49,109</u>	<u>\$ 1,558,778</u>

ADVOCAP, INC.
SCHEDULE OF EMERGENCY FURNACE ACTIVITY BY CONTRACT
YEAR ENDED DECEMBER 31, 2021

<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 2020-21	\$ 123,203	\$ 154,420	\$ -	\$ 277,623	\$ 277,623
Emergency Furnace 2021-22	\$ -	\$ 105,239	\$ -	\$ 105,239	\$ 110,501

ADVOCAP, INC.
SETTLEMENT OF DHS COST REIMBURSEMENT AWARD
YEAR ENDED DECEMBER 31, 2021

CFDA number	10.568	10.568	435.560390	Unknown
DHS identification number	CARS # 70010	CARS # 70010	CARS # 560390	CARS # 560451
Award amount	\$ 102,856	\$ 35,002	\$ 26,221	\$ 44,334
Award period	10/1/20 - 09/30/21	10/1/21 - 09/30/22	1/1/21 - 12/31/21	1/1/21 - 12/31/21
Period of award within audit period	1/1/21 - 9/30/21	10/1/21 - 12/31/21	1/1/21 - 12/31/21	1/1/21 - 12/31/21

Expenditures reported to DHS for payment	\$ 90,906	\$ 8,751	\$ 26,221	\$ 44,334
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Actual allowable cost of award

Program expenses

Compensation of officers, directors, and key employees	\$ 10,723	\$ 2,031	\$ 14,821	\$ 27,302
Pension plan contributions	536	102	741	1,365
Other employee benefits	7,449	2,118	4,559	10,114
Accounting	75	25	75	105
Office operations	1,273	421	149	471
Occupancy	4,543	1,515	398	480
Travel	485	67	1	2
Participant and volunteer	-	-	-	90
Subcontractors	2,396	-	-	-
Program materials	6,067	1,695	-	56
Vehicle operation	-	77	-	-
Tools and equipment	54,435	-	-	-
Total program expenses	<u>87,982</u>	<u>8,051</u>	<u>20,744</u>	<u>39,985</u>

Management and general expenses allocated to program

Compensation of officers, directors and key employees, allocated based on direct labor hours	1,286	218	2,925	1,655
Pension plan contributions, allocated based on direct labor hours	64	11	146	83
Other employee benefits, allocated based on direct labor hours	706	181	1,236	993
Accounting, allocated based on budgeted revenue	74	23	65	121
Office operations, allocated based on direct labor hours	454	167	371	699
Occupancy, allocated based on square footage of space used	320	93	704	754
Travel, allocated based on direct labor hours	5	2	3	7
Conferences and conventions, allocated based on direct labor hours	6	-	5	5
Participant and volunteer, allocated based on direct labor hours	3	1	2	4
Vehicle operation, allocated based on direct labor hours	-	-	10	9
Tools and equipment, allocated based on direct labor hours	6	4	10	19
Total management and general expenses	<u>2,924</u>	<u>700</u>	<u>5,477</u>	<u>4,349</u>
Total Allowable Costs	<u>\$ 90,906</u>	<u>\$ 8,751</u>	<u>\$ 26,221</u>	<u>\$ 44,334</u>

ADVOCAP, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

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:	<u>CFDA No.</u>	<u>Amount</u>
	Headstart	93.600	\$ 3,113,833
	Home and Congregate Meals	93.044/93.045/93.053	824,635
	Weatherization	81.042	577,723
	Low Income Weatherization	93.568	603,995
	Community Service Block Grant	93.569	460,686

Identification of major state programs:

	Wisconsin Department of Energy		
	Home Energy Assistance Program	505.371	\$ 260,141
	Public Benefits - Weatherization	505.371	1,395,821
	State Foster Grandparents	435.560390	44,334

- | | | |
|----|--|-----------|
| 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. Financial Statement Findings None

C. Federal and State Award Findings and Questioned Costs None

D. Prior Year Findings None

ADVOCAP, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
YEAR ENDED DECEMBER 31, 2021

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 Services	No
Wisconsin Department of Children and Families	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 Robert J. Miller CPA

5. Date of report April 21, 2022