

**ADVOCAP, INC.**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2023 AND 2022**

# ADVOCAP, INC.

## TABLE OF CONTENTS

DECEMBER 31, 2023 AND 2022

Page

2 - 4 Independent Auditors' Report

**FINANCIAL STATEMENTS**

5 - 6 Statements of Financial Position

7 Statements of Activities

8 - 9 Statements of Functional Expenses

10 - 11 Statements of Cash Flows

12 - 32 Notes to Financial Statements

**SUPPLEMENTARY INFORMATION**

33 Reconciliation of Schedule of Expenditures of Federal and State Awards and Other Financial Assistance (Non-GAAP) and Statements of Activities (GAAP)

**REPORTS ON COMPLIANCE AND INTERNAL CONTROLS**

34 - 35 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*

36 - 38 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*

39 - 42 Schedule of Expenditures of Federal and State Awards

43 Notes to Schedule of Expenditures of Federal and State Awards

44 - 54 Supplemental Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

55 Reserve Supplemental Schedule

56 Schedule of Nutrition and Transportation Programs for the Elderly - Changes in Cash Balances

57 Schedule of Emergency Furnace Activity by Contract and Schedule of Water Program Activity by Contract

58 Settlement of DHS Cost Reimbursement Award

59 - 60 Schedule of Findings and Questioned Costs



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***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, 2023 and 2022, 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, 2023 and 2022, 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 and the *Wisconsin Department of Administration Audit Guide*. 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.

#### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The prior period presented is in accordance with previously applicable GAAP. Our opinion is not modified with respect to this matter.

#### ***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* and the *Wisconsin Department of Administration Audit Guide* 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* and the *Wisconsin Department of Administration Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ADVOCAP, Inc.'s internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page 33 and pages 44 through 58, 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 June 5, 2024 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  
June 5, 2024

## **FINANCIAL STATEMENTS**

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

<u>ASSETS</u>	DECEMBER 31,	
	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,312,814	\$ 1,411,399
Beneficial interest in community foundations	69,990	62,200
Accounts receivable:		
Funding sources and programs	1,504,300	1,701,623
Other	1,320	29,986
Inventory	687,663	612,236
Prepaid expenses	156,473	183,049
TOTAL CURRENT ASSETS	3,732,560	4,000,493
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment, at cost	9,972,180	9,890,349
Less: accumulated depreciation	6,949,531	6,930,880
NET PROPERTY AND EQUIPMENT	3,022,649	2,959,469
<b>OTHER ASSETS</b>		
Investment in subsidiary	11,256	11,182
Loans receivable:		
Housing loans	4,828,046	6,974,188
Allowance for credit losses, housing loans	(128,002)	(145,804)
Low-income entrepreneurs	231,440	261,330
Allowance for credit losses, low-income entrepreneurs	(20,001)	(20,001)
Auto loans	377,192	377,528
Allowance for credit losses, auto loans	(34,571)	(30,000)
TOTAL OTHER ASSETS	5,265,360	7,428,423
<b>TOTAL ASSETS</b>	<b>\$ 12,020,569</b>	<b>\$ 14,388,385</b>

The accompanying notes are an integral part of these statements.

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

<u>LIABILITIES AND NET ASSETS</u>	DECEMBER 31,	
	2023	2022
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 102,048	\$ 102,048
Current maturities:		
Long-term obligations	269,634	449,677
Accounts payable	315,741	254,720
Accrued liabilities:		
Payroll and payroll taxes	663,138	780,635
Other	127,632	104,093
Deferred revenue	45,119	60,709
Program advances	602,172	507,929
	<u>2,125,484</u>	<u>2,259,811</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>NONCURRENT LIABILITIES</b>		
Long-term obligations	518,958	463,270
Deferred loans payable	207,470	242,470
Housing loan liability	1,658,721	3,889,547
	<u>2,385,149</u>	<u>4,595,287</u>
<b>TOTAL NONCURRENT LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>		
	<u>4,510,633</u>	<u>6,855,098</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,597,316	1,516,113
With donor restrictions	5,912,620	6,017,174
	<u>7,509,936</u>	<u>7,533,287</u>
<b>TOTAL NET ASSETS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u>\$ 12,020,569</u>	<u>\$ 14,388,385</u>

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31,					
	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE</b>						
Government awards	\$ -	\$ 13,037,747	\$ 13,037,747	\$ -	\$ 12,283,739	\$ 12,283,739
Program	-	270,787	270,787	-	309,665	309,665
Other services	449,329	-	449,329	421,500	-	421,500
Corporate funds	79,675	-	79,675	78,602	-	78,602
Interest income	21,805	57,638	79,443	12,944	55,581	68,525
Change in beneficial interests	7,790	-	7,790	(11,120)	-	(11,120)
Contributions	13,352	505,177	518,529	1,148	420,830	421,978
Commodities	-	995,239	995,239	-	624,931	624,931
Forgiveness of deferred loans payable	35,000	-	35,000	-	-	-
In-kind donations	297,967	-	297,967	120,573	-	120,573
Gain on disposal of property and equipment	17,000	-	17,000	6,930	-	6,930
Net assets released from restriction	14,931,939	(14,931,939)	-	13,752,367	(13,752,367)	-
<b>TOTAL REVENUE</b>	<u>15,853,857</u>	<u>(65,351)</u>	<u>15,788,506</u>	<u>14,382,944</u>	<u>(57,621)</u>	<u>14,325,323</u>
<b>EXPENSES</b>						
Program	14,437,898	-	14,437,898	12,679,618	-	12,679,618
Management and general	1,334,756	-	1,334,756	1,397,795	-	1,397,795
<b>TOTAL EXPENSES</b>	<u>15,772,654</u>	<u>-</u>	<u>15,772,654</u>	<u>14,077,413</u>	<u>-</u>	<u>14,077,413</u>
<b>CHANGE IN NET ASSETS</b>	81,203	(65,351)	15,852	305,531	(57,621)	247,910
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,516,113</u>	<u>6,017,174</u>	<u>7,533,287</u>	<u>1,210,582</u>	<u>6,074,795</u>	<u>7,285,377</u>
Cumulative effect adjustment of ASU 2016-13	-	(39,203)	(39,203)	-	-	-
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 1,597,316</u></u>	<u><u>\$ 5,912,620</u></u>	<u><u>\$ 7,509,936</u></u>	<u><u>\$ 1,516,113</u></u>	<u><u>\$ 6,017,174</u></u>	<u><u>\$ 7,533,287</u></u>

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Personnel	\$ 6,801,825	\$ 1,047,402	\$ 7,849,227
Professional services	7,718	98,346	106,064
Office operations	651,124	72,122	723,246
Facilities	762,058	86,200	848,258
Travel	90,702	6,640	97,342
Training and development	65,758	6,680	72,438
Participant expenses	803,127	10,486	813,613
Subcontractors	2,079,688	-	2,079,688
Program materials	1,379,916	-	1,379,916
Vehicle operation	228,876	-	228,876
Tools and equipment	66,513	6,688	73,201
Credit loss expense - loans	128,073	-	128,073
Miscellaneous	79,314	192	79,506
Commodities	995,239	-	995,239
In-kind	297,967	-	297,967
<b>TOTAL EXPENSES</b>	<b><u>\$ 14,437,898</u></b>	<b><u>\$ 1,334,756</u></b>	<b><u>\$ 15,772,654</u></b>

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

**ADVOCAP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Personnel	\$ 6,809,800	\$ 1,084,282	\$ 7,894,082
Professional services	1,976	96,054	98,030
Office operations	1,009,389	113,375	1,122,764
Facilities	753,655	84,268	837,923
Travel	72,308	3,741	76,049
Training and development	60,213	3,412	63,625
Participant expenses	391,303	6,106	397,409
Subcontractors	1,407,369	-	1,407,369
Program materials	1,136,406	-	1,136,406
Vehicle operation	219,454	-	219,454
Tools and equipment	62,110	6,284	68,394
Provision (credit) for loan losses	(1,362)	-	(1,362)
Miscellaneous	11,493	273	11,766
Commodities	624,931	-	624,931
In-kind	120,573	-	120,573
	<u>12,679,618</u>	<u>1,397,795</u>	<u>14,077,413</u>
<b>TOTAL EXPENSES</b>	<b>\$ 12,679,618</b>	<b>\$ 1,397,795</b>	<b>\$ 14,077,413</b>

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

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

	YEAR ENDED DECEMBER 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 15,852	\$ 247,910
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	370,707	348,853
Change in value in beneficial interest in community foundations	(7,790)	11,120
Credit loss expense - housing loans	53,393	(50,923)
Credit loss expense - low-income entrepreneurs	5,687	39,561
Credit loss expense - auto loans	68,993	10,000
Forgiveness of note payable	(35,000)	-
Equity in net (gain) loss of subsidiary	(74)	16
(Gain) loss on disposal of property and equipment	(17,000)	(6,930)
Change in assets and liabilities:		
(Increase) decrease in operating assets		
Accounts receivable	225,989	339,327
Inventory	(75,427)	(406,728)
Prepaid expenses	26,576	(148,239)
Increase (decrease) in operating liabilities		
Accounts payable	61,021	72,091
Accrued liabilities	(93,958)	491,587
Deferred revenue	(15,590)	(97,472)
Program advances	94,243	(256,866)
Housing loan liability	(99,950)	(346,723)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>577,672</b>	<b>246,584</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(433,887)	(337,730)
Proceeds from sale of property and equipment	17,000	6,930
Housing loans issued	(213,077)	(160,215)
Collection and recoveries of housing loans	157,148	555,008
Loans to low-income entrepreneurs issued	(31,100)	(137,575)
Collection of loans to low-income entrepreneurs	55,303	89,695
Auto loans issued	(211,716)	(152,252)
Collection of auto loans	108,427	90,716
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(551,902)</b>	<b>(45,423)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	-	102,048
Proceeds from long-term debt	50,000	-
Repayment of long-term debt	(174,355)	(188,818)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(124,355)</b>	<b>(86,770)</b>

The accompanying notes are an integral part of these statements.

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

	YEAR ENDED DECEMBER 31,	
	2023	2022
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98,585)	114,391
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,411,399	1,297,008
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,312,814</b>	<b>\$ 1,411,399</b>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	\$ 39,139	\$ 36,675
<u>NON-CASH DISCLOSURE OF SUPPLEMENTAL INFORMATION</u>		
Forgiveness of home loan receivable	\$ 2,130,876	\$ -

The accompanying notes are an integral part of these statements.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**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.

**Change in Accounting Principle** - As of January 1, 2023, the Organization adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. Results for reporting periods beginning after January 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP.

As a result of the adoption of the new credit loss guidance, the Organization recognized on January 1, 2023, the beginning of the adoption period, the cumulative effect adjustment to retained earnings of \$39,203, which resulted in an equivalent decrease in loans receivable - auto loans.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

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

**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.

**Accounts Receivable** - Receivables are stated at the amount management expects to collect from outstanding balances. Management uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. If the financial condition of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all receivables are collectible, accordingly, no allowance has been recorded.

**Grants Receivable** - The Organization receives government grants that are on a reimbursement basis. Grants receivable include claims made on the grant for the current year spending. Management believes the balance in grants receivable is fully collectible as of December 31, 2023 and 2022.

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

**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, 2023 AND 2022

**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, 2023 and 2022.

**Loans Receivable** - The Organization grants loans to individuals and small businesses. Loans receivable are stated at unpaid principal balances, less an allowance for credit 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 Credit Losses** - The allowance for credit 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. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics, such as changes in unemployment rates, local economic conditions, or other relevant factors available at the time of management's examination. The allowance is increased by a provision for credit 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.

The allowance for credit losses on notes is measured on a collective (pool) basis when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not included in the collective evaluation. When the Organization determines that bankruptcy is probable, or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the company, credit losses are based on the fair value of the expected collections.

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions and modifications unless the following applies: extension options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Organization.

The following table illustrates the impact of ASC 326:

	January 1, 2023		
	As Reported Under ASC 326	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption
Assets:			
Allowance for credit losses on auto loans	\$ 69,203	\$ 30,000	\$ 39,203

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

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

**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 with donor restrictions, depending on the nature of the restrictions. Contributions that are not restricted by the donor are reported as an increase in net assets without donor 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.

**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.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

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

**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's estimates of time and usage.

**Advertising Costs** - Advertising costs are expensed as incurred and totaled \$24,130 and \$10,787 for the years ended December 31, 2023 and 2022, 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.

**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, 2023 and 2022, 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 June 5, 2024, 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 \$822,674 and \$1,204,372 as of December 31, 2023 and 2022, respectively. The Organization has sufficient collateral in place to eliminate this credit risk.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

**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>2023</u>	<u>2022</u>
Cash	\$ 1,312,814	\$ 1,411,399
Accounts receivable	<u>1,505,620</u>	<u>1,731,609</u>
Total financial assets available within one year	2,818,434	3,143,008
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>1,680,802</u>	<u>1,933,341</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,137,632</u>	<u>\$ 1,209,667</u>

*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 committed lines of credit totaling \$802,500, 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 \$69,990 and \$62,200 as of December 31, 2023 and 2022, 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.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

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, 2023 and 2022.

*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, 2023 and 2022:

	<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, 2023</u>				
Beneficial interest in Community Foundations	<u>\$ 69,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,990</u>
<u>December 31, 2022</u>				
Beneficial interest in Community Foundations	<u>\$ 62,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,200</u>

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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 62,200	\$ 73,320
Investment return	7,790	(11,120)
Balance, end of year	<u>\$ 69,990</u>	<u>\$ 62,200</u>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 6 - Inventory**

Inventory consists of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Jobs in progress – Weatherization	\$ 624,935	\$ 470,400
Jobs in progress – Housing Rehab	11,500	85,739
Material inventory	51,228	56,097
<b>TOTAL INVENTORY</b>	<b><u>\$ 687,663</u></b>	<b><u>\$ 612,236</u></b>

**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. In 2023 and 2022, the Organization requested waivers which decreased the requirement match to \$730,136.

	<u>December 31, 2023</u>		
	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
Full-Year and Part-Day Head Start	<u>\$ 3,150,877</u>	<u>\$ 730,136</u>	<u>\$ 730,136</u>

  

	<u>December 31, 2022</u>		
	<u>Federal Expenditures</u>	<u>Non Federal Required</u>	<u>Non Federal Received</u>
Full-Year and Part-Day Head Start	<u>\$ 3,102,930</u>	<u>\$ 730,136</u>	<u>\$ 730,136</u>

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:

	<u>Grant Expenditures</u>	<u>Match Required</u>	<u>Match Earned</u>
Contract period 01/01/23 – 12/31/23	<u>\$ 29,000</u>	<u>\$ 14,500</u>	<u>\$ 14,500</u>

  

	<u>Grant Expenditures</u>	<u>Match Required</u>	<u>Match Earned</u>
Contract period 01/01/22 – 12/31/22	<u>\$ 59,500</u>	<u>\$ 59,500</u>	<u>\$ 60,500</u>

The match funds for 2023 and 2022 consisted of \$14,500 and \$59,500 of loan funds, respectively.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

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 2023 and 2022 as follows:

	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/23 – 12/31/23	\$ 1,271,900	\$ 143,000	\$ 143,000
	Grant Expenditures	Match Required	Match Earned
Contract period 01/01/22 – 12/31/22	\$ 1,218,528	\$ 143,000	\$ 143,000

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:

	Total Federal Contract	Federal Expenditures	Non Federal Required	Non Federal Received
SBA Technical Assistance SBAOCAML230457	\$ 45,288	\$ 22,663	\$ 9,520	\$ 9,520
SBA Technical Assistance SBAOCAML220372	\$ 61,321	\$ 30,660	\$ 13,141	\$ 5,476
Principal balance of loans to borrowers				\$ 147,412
Loan loss reserve required				\$ 22,112
Loan loss reserve maintained				\$ 43,989

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.

	Federal Expenditures	Non Federal Required	Non Federal Received
Contract period 01/01/23 – 12/31/23			
Operating project	\$ 101,077	\$ 101,077	\$ 101,077
Capital project	234,195	58,549	58,549
	\$ 335,272	\$ 159,626	\$ 159,626

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

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%:

	Total Federal Contract	Federal Expenditures	Non Federal Required	Non Federal Received
PRIME SBAOCAPR230110	\$ 224,000	\$ 26,683	\$ 112,000	\$ 14,000
PRIME SBAOCAPR220093	\$ 196,000	\$ 149,805	\$ 98,000	\$ 98,000

**NOTE 8 - Property and Equipment**

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

	<u>2023</u>	<u>2022</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	4,159,094	4,084,450
Building improvements – transitional housing project	182,838	182,838
Vehicles	1,395,741	1,172,005
Equipment	704,881	921,430
	\$ 9,972,180	\$ 9,890,349
Less: accumulated depreciation	(6,949,531)	(6,930,880)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>\$ 3,022,649</b>	<b>\$ 2,959,469</b>

Depreciation expense amounted to \$348,853 and \$323,452 for the years ended December 31, 2023 and 2022, 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 \$11,256 and \$11,182 as of December 31, 2023 and 2022, respectively.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

**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).

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 end on December 31, 2023. 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 ends on December 31, 2023. 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 under this program need to be returned to the funding source. Therefore, the Organization has a liability of \$1,658,721 and \$3,889,547 at December 31, 2023 and 2022, respectively.

During 2023, the Organization approved the forgiveness of HOME rehab loans that are over 15 years old. The total amount forgiven in 2023 was \$2,202,072.

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

	<u>2023</u>	<u>2022</u>
Loans issued	\$ 15,687,389	\$ 15,474,311
Loans repaid	(6,550,049)	(6,392,901)
Loans defaulted	(2,107,222)	(2,107,222)
Loans forgiven	<u>(2,202,072)</u>	<u>-</u>
Loans outstanding	4,828,046	6,974,188
Less: allowance for credit losses	<u>(128,002)</u>	<u>(145,804)</u>
<b>LOANS RECEIVABLE, NET</b>	<b><u>\$ 4,700,044</u></b>	<b><u>\$ 6,828,384</u></b>

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

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

Below is a summary of the changes in the allowance for credit losses for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 145,804	\$ 206,997
Credit loss expense	53,394	(50,923)
Loans charged-off	(71,196)	(10,270)
Recoveries	-	-
<b>Balance, end of year</b>	<b><u>\$ 128,002</u></b>	<b><u>\$ 145,804</u></b>

Detail of the loan programs since inception is as follows:

<u>DECEMBER 31, 2023</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	\$ 2,697,653	\$ 10,095,570	\$ 275,713	\$ 192,000
Loans repaid	(149,670)	(1,419,141)	(4,665,853)	(125,212)	-
Loans defaulted	(73,123)	(244,254)	(1,699,628)	(90,217)	-
Loans forgiven	-	(10,912)	(2,130,876)	(60,284)	-
Loans outstanding	<u>\$ -</u>	<u>\$ 1,023,346</u>	<u>\$ 1,599,213</u>	<u>\$ -</u>	<u>\$ 192,000</u>
<u>DECEMBER 31, 2023 - Continued</u>					
	<u>Berlin Senior Village</u>	<u>Riverside Senior, LLC</u>	<u>Marion Manor</u>	<u>Jefferson Street Apartments, LLC</u>	<u>Total</u>
Loans issued	\$ 636,569	\$ 477,519	\$ 495,543	\$ 594,029	\$ 15,687,389
Loans repaid	(93,574)	-	(96,599)	-	(6,550,049)
Loans defaulted	-	-	-	-	(2,107,222)
Loans forgiven	-	-	-	-	(2,202,072)
Loans outstanding	<u>\$ 542,995</u>	<u>\$ 477,519</u>	<u>\$ 398,944</u>	<u>\$ 594,029</u>	4,828,046
Less: allowance for credit losses					(128,002)
<b>LOANS RECEIVABLE, NET</b>					<b><u>\$ 4,700,044</u></b>

<u>DECEMBER 31, 2022</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	\$ 2,567,024	\$ 10,065,397	\$ 275,713	\$ 192,000
Loans repaid	(149,670)	(1,380,830)	(4,561,806)	(125,212)	-
Loans defaulted	(73,123)	(244,254)	(1,699,628)	(90,217)	-
Loans outstanding	<u>\$ -</u>	<u>\$ 941,940</u>	<u>\$ 3,803,963</u>	<u>\$ 60,284</u>	<u>\$ 192,000</u>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

DECEMBER 31, 2022 - Continued					
	Berlin Senior Village	Riverside Senior, LLC	Marion Manor	Jefferson Street Apartments, LLC	Total
Loans issued	\$ 623,842	\$ 467,331	\$ 483,483	\$ 576,728	\$ 15,474,311
Loans repaid	(93,574)	-	(81,809)	-	(6,392,901)
Loans defaulted	-	-	-	-	(2,107,222)
Loans outstanding	\$ 530,268	\$ 467,331	\$ 401,674	\$ 576,728	6,974,188
Less: allowance for credit losses					(145,804)
<b>LOANS RECEIVABLE, NET</b>					<b>\$ 6,828,384</b>

The Organization has an established methodology to determine the adequacy of the allowance for credit losses that assesses the risks and losses inherent in the Organization's portfolio. For purposes of determining the allowance for credit 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, 2023 and 2022, the historical loss time frame for each class was ten years. As of December 31, 2023, the Organization expects that the markets in which it operates will experience a similar economic conditions and marginal increases in the unemployment rate, over the next two years. Management adjusted the historical loss experience for these expectations. No reversion adjustments were necessary, as the starting point for the Organization's estimate was a cumulative loss rate covering the expected contractual term of the portfolio.

The total allowance for home ownership program loans reflects management's estimate of credit losses inherent in the loan portfolio at the balance sheet date. The Organization considers the allowance for home ownership program credit losses of \$128,002 and \$145,804 adequate to cover credit losses inherent in the home ownership program loan portfolio, as of December 31, 2023 and 2022, respectively.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

The following tables present the changes in the allowance for credit losses for buyer down payment assistance, owner rehabilitation assistance, and other loan programs. As of December 31, 2023 and 2022, there is no allowance associated with any other housing loan programs.

	DECEMBER 31, 2023				
	Buyer	Owner			
	Downpayment Assistance	Rehabilitation Assistance	Marion Manor	Other	Total
Balance, beginning of year	\$ 126,931	\$ -	\$ -	\$ 18,873	\$ 145,804
Credit loss expense	11,983	-	-	41,411	53,394
Loans charged-off	(10,912)	-	-	(60,284)	(71,196)
Recoveries	-	-	-	-	-
<b>Balance, end of year</b>	<b><u>\$ 128,002</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 128,002</u></b>

	DECEMBER 31, 2022				
	Buyer	Owner			
	Downpayment Assistance	Rehabilitation Assistance	Marion Manor	Other	Total
Balance, beginning of year	\$ 162,187	\$ -	\$ -	\$ 44,810	\$ 206,997
Provision (credit) for loan losses	(35,256)	-	-	(15,667)	(50,923)
Loans charged-off	-	-	-	(10,270)	(10,270)
Recoveries	-	-	-	-	-
<b>Balance, end of year</b>	<b><u>\$ 126,931</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 18,873</u></b>	<b><u>\$ 145,804</u></b>

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

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

The Organization received funding from the U.S. Small Business Administration (SBA) under the Microloan Program to make loans to eligible small businesses in the State of Wisconsin. The loans to small businesses bear interest at 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.

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

	2023	2022
Balance, beginning of year	\$ 241,329	\$ 233,010
Loans issued	31,100	137,575
Loans repaid	<u>(40,989)</u>	<u>(109,255)</u>
Loans outstanding, end of year	231,440	261,330
Less: allowance for credit losses	<u>(20,001)</u>	<u>(20,001)</u>
<b>LOANS RECEIVABLE, NET</b>	<b><u>\$ 211,439</u></b>	<b><u>\$ 241,329</u></b>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

The Organization has an established methodology to determine the adequacy of the allowance for credit losses that assesses the risks and losses inherent in the Organization's portfolio. For purposes of determining the allowance for credit 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, 2023 and 2022, the historical loss time frame for each class was three years. As of December 31, 2023, the Organization expects that the markets in which it operates will experience a similar economic conditions and marginal increases in the unemployment rate, over the next two years. Management adjusted the historical loss experience for these expectations. This adjustment resulted in an approximate increase in the allowance of \$8,000 due to low unemployment rates causing difficulty in staffing.

The Organization does not have any low-income entrepreneur loans that are considered past due. The Organization does not have any loans that are considered impaired. No any low-income entrepreneur loans were placed on nonaccrual status during the years ended December 31, 2023 and 2022.

The following table presents the changes in the allowance for credit losses for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 20,001	\$ 9,534
Credit loss expense	5,687	39,561
Loans charged-off	(5,687)	(29,094)
<b>Balance, end of year</b>	<b><u>\$ 20,001</u></b>	<b><u>\$ 20,001</u></b>

**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 as of December 31:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 377,528	\$ 315,992
Loans issued	211,716	152,252
Loans repaid	(108,427)	(90,715)
Loans charged off	(103,625)	-
Loans outstanding, end of year	377,192	377,528
Less: allowance for credit losses	(34,571)	(30,000)
<b>LOANS RECEIVABLE, NET</b>	<b><u>\$ 342,621</u></b>	<b><u>\$ 347,528</u></b>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

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

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.

Beginning in 2023, 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, 2023, the historical loss time frame for each class was three years. The Organization expects that the markets in which it operates will experience a similar economic conditions and marginal increases in the unemployment rate, over the next two years. Management adjusted the historical loss experience for these expectations. No reversion adjustments were necessary, as the starting point for the Organization's estimate was a cumulative loss rate covering the expected contractual term of the portfolio.

The Organization does not have any auto loans that are considered past due. The Organization does not have any loans that are considered impaired. In addition, all auto loans are non-interest bearing and as such there are no loans that are considered to be in non-accrual status.

The following table presents the changes in the allowance for credit losses for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year, prior to adoption of ASC 326	\$ 30,000	\$ 20,000
Impact of adopting ASC 326	39,203	-
Provision for credit losses	68,993	10,000
Loans charged-off	<u>(103,625)</u>	<u>-</u>
<b>Balance, end of year</b>	<b><u>\$ 34,571</u></b>	<b><u>\$ 30,000</u></b>

**NOTE 13 - Program Advances**

Program advances represents unexpended funds received as of December 31, 2023 and 2022. The program advance is either funds owed to funding sources or is approved for use in ongoing or future programs. The program advance balance consists of the following as of December 31:

<u>Program</u>	<u>2023</u>	<u>2022</u>
Work 'n' Wheels	\$ 1,036	\$ 1,036
Centurytel Foundation, Volunteer Services	1,991	1,991
SBA Microloan	18,000	18,000
Weatherization	<u>581,145</u>	<u>486,902</u>
<b>TOTAL PROGRAM ADVANCES</b>	<b><u>\$ 602,172</u></b>	<b><u>\$ 507,929</u></b>

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

**NOTE 13 - Program Advances - Continued**

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, 2023 and 2022.

**NOTE 14 - Line of Credit**

As of December 31, 2023 and 2022, 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, 2023 and 2022 was 8.50% and 7.50%, respectively. The line of credit expired on July 15, 2022 and was renewed through July 15, 2024. 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, 2023 and 2022.

The Organization has another line of credit beginning December 2022 for \$352,500. The line of credit expires on December 1, 2024. The interest rate is equal to the prime rate as published by the Wall Street Journal, not to be less than 5.75%. The interest rate as of December 31, 2023 and 2022 was 8.50% and 7.50%, respectively. 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. The outstanding balance on this line of credit was \$102,048 as of December 31, 2023 and 2022.

**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 2023 and 2022 was \$39,139 and \$36,675, 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, 2023 AND 2022

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

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

	Interest Rate	Date of Maturity	2023	2022
<u>National Exchange Bank and Trust</u>				
Note payable	5.75%	3/1/2024	\$ 91,998	\$ 106,825
Note payable	5.25%	8/1/2023	-	168,750
Note payable	6.99%	8/1/2025	112,662	-
Note payable	4.95%	5/1/2026	100,188	139,857
Note payable - secured by a bus	4.75%	3/1/2023	-	2,593
Note payable	5.00%	4/5/2031	34,691	38,557
Note payable	4.95%	9/1/2023	-	168,963
Note payable	7.50%	9/1/2026	159,685	-
<u>U.S. Small Business Administration</u>				
Note payable*	0.00%	12/22/2024	12,561	25,122
Note payable*	0.00%	12/13/2027	51,564	64,455
Note payable*	0.00%	4/6/2030	44,861	51,944
Note payable*	0.00%	10/7/2032	48,640	-
<u>United States Department of Agriculture</u>				
Note payable	2.00%	12/31/2032	65,691	74,467
Note payable	2.00%	12/31/2036	66,051	71,414
Total long-term obligations			788,592	912,947
Less: current maturities			(269,634)	(449,677)
<b>LONG-TERM OBLIGATIONS, LESS CURRENT MATURITIES</b>			<b><u>\$ 518,958</u></b>	<b><u>\$ 463,270</u></b>

\*These funds are used to provide micro loans to eligible small businesses. The note payable is non-interest bearing as long as the average micro loan balance is less than \$10,000. As of December 31, 2023 and 2022, 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, 2023 are as follows:

2024	\$ 269,634
2025	149,866
2026	205,797
2027	52,258
2028	34,370
Thereafter	76,667
Total	<u>\$ 788,592</u>

The Organization is in compliance with all loan covenants.

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

**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>2023</u>	<u>2022</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	Forgivable 2024	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
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>207,470</u>	<u>242,470</u>
Less: current maturities			<u>-</u>	<u>-</u>
<b>DEFERRED LOANS PAYABLE, LESS CURRENT MATURITIES</b>			<b><u>\$ 207,470</u></b>	<b><u>\$ 242,470</u></b>

Aggregate maturities of deferred loans payable for the five years and thereafter following December 31, 2023 are as follows:

2024	\$ -
2025	-
2026	-
2027	12,858
2028	11,910
Thereafter	<u>182,702</u>
Total	<u>\$ 207,470</u>

**ADVOCAP, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 17 - Net Assets**

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

	2023	2022
Subject to expenditure for specified purpose:		
Loan programs	\$ 3,595,383	\$ 3,527,694
Government grants and programs	2,141,181	2,292,365
Benefit of low to moderate income individuals	176,056	197,115
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 5,912,620</b>	<b>\$ 6,017,174</b>

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

	2023	2022
Satisfaction of purposes restrictions:		
Government grants and programs	\$ 14,760,880	\$ 13,460,354
Benefit of low to moderate income individuals	171,059	292,013
<b>TOTAL RESTRICTIONS RELEASED</b>	<b>\$ 14,931,939</b>	<b>\$ 13,752,367</b>

**NOTE 18 - 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 2023 and 2022, employer contributions were \$244,729 and \$238,709, respectively, representing 5% of gross wages of eligible employees.

**NOTE 19 - In-Kind Donations**

The value of donated goods and services included as in-kind contributions in the financial statements and the corresponding expenses or assets are as follows for the years ended December 31:

	2023	2022
Materials	\$ 21,291	\$ 24,501
Transportation	567	3,910
Program space	-	33,850
Professional services	276,109	58,312
<b>TOTAL IN-KIND DONATIONS</b>	<b>\$ 297,967</b>	<b>\$ 120,573</b>

The Organization receives contributed professional services that are reported using current rates for similar types of services.

Contributed materials received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to in-kind expense. Donated materials are valued at the wholesale prices that would be received for selling similar products.

All contributed services and materials were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and materials.

**ADVOCAP, INC.**  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023 AND 2022

**NOTE 20 - Risks and Uncertainties**

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.

**NOTE 21 - Commitments and Contingencies**

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

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

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

**NOTE 22 - 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, 2023**

	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 Expense Adjustment	Other Adjustments	Advance Adjustment	Change in Net Assets of Subsidiary	Statement of Activities
Total revenues	\$ 15,995,984	\$ -	\$ -	\$ -	\$ 17,000	\$ (173,152)	\$ (30,341)	\$ -	\$ -	\$ -	\$ (21,059)	\$ 74	\$ 15,788,506
Total expenses	<u>16,016,112</u>	<u>(17,802)</u>	<u>-</u>	<u>(34,632)</u>	<u>(29,466)</u>	<u>(173,152)</u>	<u>-</u>	<u>-</u>	<u>11,582</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>15,772,654</u>
Excess of revenues over expense	(20,128)	17,802	-	34,632	46,466	-	(30,341)	-	(11,582)	(12)	(21,059)	74	15,852
Changes in net assets - Subsidiary	74	-	-	-	-	-	-	-	-	-	-	(74)	-
Net assets, January 1, 2022	<u>6,465,274</u>	<u>(145,804)</u>	<u>(20,001)</u>	<u>(30,000)</u>	<u>835,552</u>	<u>-</u>	<u>182,421</u>	<u>11,500</u>	<u>37,212</u>	<u>11</u>	<u>197,122</u>	<u>-</u>	<u>7,533,287</u>
Cumulative effect adjustment ASU 2016-1	-	-	-	(39,203)	-	-	-	-	-	-	-	-	(39,203)
Net assets, December 31, 2023	<u>\$ 6,445,220</u>	<u>\$ (128,002)</u>	<u>\$ (20,001)</u>	<u>\$ (34,571)</u>	<u>\$ 882,018</u>	<u>\$ -</u>	<u>\$ 152,080</u>	<u>\$ 11,500</u>	<u>\$ 25,630</u>	<u>\$ (1)</u>	<u>\$ 176,063</u>	<u>\$ -</u>	<u>\$ 7,509,936</u>

**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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2024.

***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  
June 5, 2024



**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, 2023. 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, 2023.

***Basis for Opinion on Each Major Federal and State 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) and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. 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.

*Hawkins Ash CPAs, LLP*

Green Bay, Wisconsin  
June 5, 2024

**ADVOCAP, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

**FEDERAL EXPENDITURES**

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	Assistance Listing <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Federal <u>Expenditures</u>	Subrecipient Pass-Through <u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Wisconsin Department of Health Services		70010		
TEFAP Commodity Credit Corp Funds	10.187		\$ 13,474	\$ 10,480
Food Distribution Cluster				
TEFAP Commodities and Soup Kitchen/Food Bank Program	10.568	435100-G22-143180-290	61,775	4,350
Commodity Food Distribution	10.569	435100-G20-143180-90	995,239	-
Total Food Distribution Cluster			<u>1,057,014</u>	<u>4,350</u>
Wisconsin Department of Public Instruction		20-6803		
USDA Reimbursements - Head Start	10.558		164,875	-
Rural Microentrepreneur Assistance Program - Direct	10.870		<u>7,776</u>	-
Total U.S. Department of Agriculture			<u>1,243,139</u>	<u>14,830</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
City of Oshkosh and Neenah		None		
Community Development Block Grant - ARP - Entitlement Grants Cluster	14.218		<u>130,280</u>	-
Community Development Block Grant	14.228		<u>7,917</u>	-
Wisconsin Department of Administration				
Emergency Solutions Grant Program	14.231	EHH 22-01/EHH 23-01	183,606	66,036
City of Appleton				
Emergency Solutions Grant Program	14.231	EHH 22-01 and EHH 23-01	<u>24,516</u>	-
Total Emergency Solutions Grant Program			<u>208,122</u>	<u>66,036</u>
Wisconsin Department of Administration				
Home Investment Partnerships Program	14.239	TBRA 21-01 and TBRA 22-01	349,782	-
Home Investment Partnerships Program - Direct	14.239		<u>1,841</u>	-
Total Home Investment Partnerships Program			<u>351,623</u>	-
		2022/2023 DV RRH and 2023/2024 DV RRH		
WIBOSCOC				
Supportive Services Youth Homelessness	14.276		<u>1,255</u>	-
Continuum of Care Program	14.267		153,101	-
City of Appleton		None		
Continuum of Care Program	14.267		54,748	-
Continuum of Care Program - Direct	14.267		<u>446,735</u>	-
Total Continuum of Care Program			<u>654,584</u>	-
Total U.S. Department of Housing and Urban Development			<u>1,353,781</u>	<u>132,072</u>

**ADVOCAP, INC.**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued  
YEAR ENDED DECEMBER 31, 2023

Source of Contract Funds: Grantor agency Pass-Through agency Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Pass-Through Expenditures
<b>U.S. DEPARTMENT OF TREASURY</b>				
Wisconsin DOA				
Wisconsin Emergency Rental Assistance Program	21.023		389,261	-
Wisconsin Help for Homeowners Program	21.026		117,363	-
Coronavirus SLFRF - Shelter Homeless Grant	21.027		5,175	-
WISCAP				
Coronavirus SLFRF - WEDC Workforce Innovation Grant	21.027		69,895	-
Total Coronavirus SLFRF			75,070	-
Total U.S. Department of Treasury			581,694	-
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Project Aspire Transitional Housing Assistance - Direct	16.736	15JOVW-21-GG-02052-TRAN	97,219	2,507
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Wisconsin Department of Transportation				
Transit Service Program Cluster				
Job Access and Reverse Commute Program	20.516	None	329,971	-
New Freedom Program	20.521		41,741	-
Total Transit Service Program Cluster			371,712	-
Total U.S. Department of Transportation			371,712	-
<b>SMALL BUSINESS ADMINISTRATION</b>				
Microloan Grant Program - Direct	59.046		53,323	-
Program for Investment in Microentrepreneurs (PRIME) - Direct	59.050		176,488	-
Total Small Business Administration			229,811	-
<b>U.S. DEPARTMENT OF ENERGY</b>				
Wisconsin Department of Administration				
Weatherization Assistance for Low-Income Persons	81.042	WX2223.01 and WX2324.01	604,088	-
Total U.S. Department of Energy			604,088	-
<b>U.S. DEPARTMENT OF LABOR</b>				
WISCAP				
Total WIOA Cluster	17.258/17.259/17.278	None	64,866	-
National Dislocated Worker Grant	17.277		80,861	-
Total U.S. Department of Labor			145,727	-

**ADVOCAP, INC.**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued  
YEAR ENDED DECEMBER 31, 2023

Source of Contract Funds: Grantor agency Pass-Through agency Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipient Pass-Through Expenditures
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Winnebago County		None		
Aging Cluster				
Winnebago County Nutrition Home Delivered and Congregate Meals	93.044		70,358	-
Winnebago County Nutrition Home Delivered and Congregate Meals	93.045		993,447	-
Winnebago County Nutrition Home Delivered and Congregate Meals	93.053		<u>76,272</u>	<u>-</u>
Total Aging Cluster			<u>1,140,077</u>	<u>-</u>
Wisconsin Department of Administration		WX2223.01 and WX2324.01		
Low Income Home Energy Assistance	93.568		1,633,513	-
Head Start - Direct	93.600		<u>3,330,877</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>6,104,467</u>	<u>-</u>
<b>U.S. DEPARTMENT OF CHILDREN AND FAMILIES</b>				
Wisconsin Department of Health Services		437004-G20-0001511-000-01		
477 Cluster				
Skills Enhancement-TANF	93.558		1,939	-
Community Services Block Grant	93.569		359,796	-
Child Care Counts Stabilization	93.575		<u>100,783</u>	<u>-</u>
Total 477 Cluster			<u>462,518</u>	<u>-</u>
<b>CORPORATION FOR NATIONAL COMMUNITY SERVICE</b>				
Retired and Senior Volunteer Program - Direct	94.002		180,115	-
Foster Grandparent Program - Direct	94.011		<u>162,417</u>	<u>-</u>
Total Corporation for National Community Service			<u>342,532</u>	<u>-</u>
 Total Expenditures of Federal Awards			 <u>\$ 11,536,688</u>	 <u>\$ 149,409</u>

**ADVOCAP, INC.**  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued  
YEAR ENDED DECEMBER 31, 2023

**STATE EXPENDITURES**

Source of Contract Funds: Grantor agency Pass-Through agency <u>Program or Cluster Title</u>	<u>State ID Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>State Expenditures</u>	<u>Subrecipient Pass-Through Expenditures</u>
<b>WISCONSIN DEPARTMENT OF HEALTH SERVICES</b>				
Retired Senior Volunteer Program	435.560390		\$ 27,644	\$ -
State Foster Grandparent Program	435.560450		44,182	-
WISCAP/ Job and Business Development	Unknown		29,000	-
Winnebago County		None		
Senior Meals	435.560330		9,532	
Congregate Meals	435.560355		54,111	-
Home Delivered Meals	435.560360		<u>68,180</u>	-
Total Wisconsin Department of Health Services			<u>232,649</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</b>				
Head Start Supplemental Funds	255.327		<u>148,794</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF ADMINISTRATION</b>				
Shelter Subsidy Grant	Unknown		6,000	-
HCRI Homeowner Loan Program and Administration	Unknown		58,469	-
Public Benefits - Weatherization	505.371		<u>1,165,206</u>	-
Total Wisconsin Department of Administration			<u>1,229,675</u>	<u>-</u>
<b>WISCONSIN DIVISION OF ENERGY</b>				
Home Energy Assistance Program	505.371		<u>614,378</u>	<u>-</u>
<b>WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES</b>				
Skills Enhancement	437.1750		<u>21,341</u>	<u>-</u>
Total Expenditures of State Awards			<u>\$ 2,246,837</u>	<u>\$ -</u>

## **ADVOCAP, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS YEAR ENDED DECEMBER 31, 2023**

#### **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, 2023

	DESIGNATED									
	Department of Agriculture (USDA)									
	10.187	10.433	10.569	10.558	10.568		10.769			
	TEFAP Commodity Credit Corporation Funds (1)	Housing Preservation Loan Program (2)	Commodity Food Distribution (3)	USDA Reimbursement Head Start (4)	The Emergency Food Assistance Program (TEFAP) 2022/2023 (5)	2023/2024 (6)	10.568 Subtotal	Rural Business Enterprise Grant Revolving Loan (7)	Rural Business Development Grants (8)	10.769 Subtotal
Total										
<b>Revenues:</b>										
Government awards	\$ 13,109,247	\$ 13,474	\$ -	\$ -	\$ 164,875	\$ 44,289	\$ 17,486	\$ 61,775	\$ -	\$ -
Program income	757,881	-	-	-	-	-	-	-	-	-
Other services	500	-	-	-	-	-	-	-	-	-
Corporate funds	4,836	-	-	-	-	-	-	-	-	-
Investment return	87,233	-	-	-	-	-	-	-	3,099	3,099
Contributions	569,929	-	-	-	-	-	-	-	-	-
Commodities	995,239	-	995,239	-	-	-	-	-	-	-
In-Kind Revenue	471,119	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>15,995,984</b>	<b>13,474</b>	<b>995,239</b>	<b>164,875</b>	<b>44,289</b>	<b>17,486</b>	<b>61,775</b>	<b>-</b>	<b>3,099</b>	<b>3,099</b>
<b>Expenses:</b>										
Personnel Costs	7,770,136	2,994	-	-	66,460	29,541	8,960	38,501	-	-
Professional Services	106,064	-	-	-	-	138	106	244	-	-
Office Operating Expenses	711,652	-	-	-	-	1,589	283	1,872	-	-
Facilities	795,146	-	-	-	-	5,325	1,743	7,068	-	-
Travel	96,945	-	-	-	-	499	384	883	-	-
Training	72,836	-	-	-	-	50	16	66	-	-
Participant and Volunteer Expenses	898,091	-	-	-	-	9	19	28	-	-
Subcontractors	2,079,688	10,480	-	-	-	2,791	5,570	8,361	-	-
Program Materials	1,379,916	-	-	-	98,415	4,335	400	4,735	-	-
Vehicle Operation	347,045	-	-	-	-	3	1	4	-	-
Tools and Equipment	37,608	-	-	-	-	7	2	9	-	-
Other	254,627	-	8,000	-	-	2	2	4	-	-
Commodities	995,239	-	995,239	-	-	-	-	-	-	-
In-Kind	471,119	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>16,016,112</b>	<b>13,474</b>	<b>8,000</b>	<b>995,239</b>	<b>164,875</b>	<b>44,289</b>	<b>17,486</b>	<b>61,775</b>	<b>-</b>	<b>-</b>
Excess of Revenues (Expenses)	(20,128)	-	(8,000)	-	-	-	-	-	3,099	3,099
Net Assets - January 1, 2023	6,465,279	-	50,000	-	-	-	-	-	28,874	127,602
Funds Transferred	-	-	-	-	-	-	-	-	-	(18,471)
Change in Net Assets - Subsidiary	74	-	-	-	-	-	-	-	-	-
Net Assets – Designated	6,445,225	-	42,000	-	-	-	-	-	28,874	112,230
Net Assets – Undesignated	-	-	-	-	-	-	-	-	-	-
<b>Total Net Assets – December 31, 2023</b>	<b>\$ 6,445,225</b>	<b>\$ -</b>	<b>\$ 42,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,874</b>	<b>\$ 112,230</b>

ADVOCAP, INC.  
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
 For the Year Ended December 31, 2023

DESIGNATED

USDA		Department of Housing and Urban Development (HUD)										
10.870	14.218	14.228	14.231					14.239				
RMAP	City of Oshkosh	Community	WIDOA	WIDOA	City of Appleton	City of Appleton		HOME/CHBR	HOME/HRA	HOME/CHBR	WIDOA	WIDOA
Loan and	CDBG	Development	HUD	HUD	HUD	HUD	14.231	Rehabilitation	Rehabilitation	Rehabilitation	Tenant-Based	Tenant-Based
Tech Assist.	ARP	Block Grant	EHH Grant	EHH Grant	EHH Grant	EHH Grant	Subtotal	Programs	Programs	Programs	Rental Assistance	Rental Assistance
Funds	Funds	Funds	2022/2023	2023/2024	2022/2023	2023/2024		Loan Funds	Loan Funds	Administration	Program 21-23	Program 22-24
(9)	(10)	(11)	(12)	(13)	(14)	(15)		(16)	(17)	(18)	(19)	(20)
\$ 7,776	\$ 130,280	\$ 7,917	\$ 139,304	\$ 44,302	\$ 15,882	\$ 8,634	\$ 208,122	\$ -	\$ -	\$ 1,841	\$ 71,529	\$ 278,253
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
2,263	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
<u>10,039</u>	<u>130,280</u>	<u>7,917</u>	<u>139,304</u>	<u>44,302</u>	<u>15,882</u>	<u>8,634</u>	<u>208,122</u>	<u>-</u>	<u>-</u>	<u>1,841</u>	<u>71,529</u>	<u>278,253</u>
7,776	65,140	-	46,441	18,998	15,496	9,719	90,654	-	-	2,593	5,660	16,590
-	-	-	835	394	167	137	1,533	-	-	16	393	406
-	-	-	3,873	1,048	1,015	374	6,310	-	-	340	249	572
2,788	-	-	5,009	1,866	467	308	7,650	-	-	110	136	218
-	-	-	2,140	606	143	122	3,011	-	-	97	434	1,907
-	-	-	142	46	39	25	252	-	-	8	10	12
-	-	-	34,366	16,944	3,929	265	55,504	-	-	4	64,588	242,220
-	-	-	63,155	4,392	340	193	68,080	-	-	54	53	437
-	65,140	7,917	5	-	2	-	7	-	-	-	1	-
-	-	-	9	4	2	2	17	-	-	-	1	2
-	-	-	16	-	5	2	23	-	-	-	4	-
-	-	-	6	4	1	2	13	91,109	(21,747)	-	-	2
-	-	-	-	-	-	-	-	-	-	-	-	-
<u>10,564</u>	<u>130,280</u>	<u>7,917</u>	<u>155,997</u>	<u>44,302</u>	<u>21,606</u>	<u>11,149</u>	<u>233,054</u>	<u>91,109</u>	<u>(21,747)</u>	<u>3,222</u>	<u>71,529</u>	<u>262,366</u>
(525)	-	-	(16,693)	-	(5,724)	(2,515)	(24,932)	(91,109)	21,747	(1,381)	-	15,887
-	-	-	-	-	-	-	-	-	-	-	-	-
525	-	-	16,693	-	5,724	2,515	24,932	91,109	(21,747)	1,381	-	(15,887)
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADVOCAP, INC.  
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
 For the Year Ended December 31, 2023

DESIGNATED									
Department of Housing and Urban Development (HUD)									
14.239		14.267							
RHD HOME Loan Program (21)	14.239 Subtotal	HUD Continuum of Care Program WI0004L5I002114 (22)	HUD Continuum of Care Program WI0004L5I002215 (23)	HUD Continuum of Care Program WI0147L5I002107 (24)	HUD Continuum of Care Program WI0164L5I002106 (25)	HUD Continuum of Care Program WI0146L5I002107 (26)	WIBOSCOC DV RRH Project 2022/2023 (27)	WIBOSCOC DV RRH Project 2023/2024 (28)	WIBOSCOC Supportive Services for Coordinated Entry 2022/2023 (29)
\$ -	\$ 351,623	\$ 28,757	\$ 24,046	\$ 246,494	\$ 73,248	\$ 74,190	\$ 78,272	\$ 40,934	\$ 15,793
-	-	-	-	-	-	2,978	-	-	-
-	-	-	-	-	-	-	-	-	-
52,276	52,276	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
52,276	403,899	28,757	24,046	246,494	73,248	77,168	78,272	40,934	15,793
-	24,843	29,509	16,414	141,077	68,642	61,006	44,025	13,359	19,623
-	815	303	268	1,542	681	619	482	258	97
-	1,161	1,729	776	8,712	3,461	3,307	2,787	543	749
-	464	990	573	9,561	2,138	2,196	1,659	444	487
-	2,438	31	104	1,804	1,095	459	409	305	121
-	30	81	35	357	282	138	108	14	24
-	306,812	14	3,527	43,273	1,689	8,225	29,480	22,249	10
-	544	637	401	2,822	1,231	1,175	1,597	289	211
-	1	4	-	13	6	6	8	-	6
-	3	10	5	27	11	16	10	2	6
-	4	10	-	33	16	14	17	3	15
-	69,364	3	3	18	8	7	4	3	1
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	406,479	33,321	22,106	209,239	79,260	77,168	80,586	37,469	21,350
52,276	(2,580)	(4,564)	1,940	37,255	(6,012)	-	(2,314)	3,465	(5,557)
2,084,760	2,084,760	-	-	-	-	-	-	-	-
(69,362)	(14,506)	4,564	(1,940)	(37,255)	6,012	-	2,314	(3,465)	5,557
-	-	-	-	-	-	-	-	-	-
2,067,674	2,067,674	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 2,067,674</u>	<u>\$ 2,067,674</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, 2023

DESIGNATED										
Department of Housing and Urban Development (HUD)								Dept. of Justice		
14.267						14.276		14.905		16.736
WIBOSCOC Supportive Services for Coordinated Entry 2023/2024 (30)	WIBOSCOC Supportive Services for Coord. Entry DV Only 2022/2023 (31)	WIBOSCOC Supportive Services for Coord. Entry DV Only 2023/2024 (32)	City of Appleton Continuum of Care Rapid Rehousing Program (33)	City of Appleton Continuum of Care Rapid Rehousing Expansion Program (34)	14.267 Subtotal	WIBOSCOC Youth Homelessness 2023/2024 (35)	Lead Hazard Reduction Loan Program (36)	Office on Violence Against Women Project Aspire (37)		
\$ 15,349	\$ 2,458	\$ 295	\$ 40,028	\$ 14,720	\$ 654,584	\$ 1,255	\$ -	\$ 97,219		
-	-	-	174	-	3,152	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
<u>15,349</u>	<u>2,458</u>	<u>295</u>	<u>40,202</u>	<u>14,720</u>	<u>657,736</u>	<u>1,255</u>	<u>-</u>	<u>97,219</u>		
15,876	3,089	265	32,750	4,199	449,834	1,066	-	40,837		
163	13	8	325	71	4,830	24	-	500		
875	81	10	1,620	243	24,893	63	-	2,833		
337	44	5	928	132	19,494	49	-	3,356		
81	1	-	409	23	4,842	2	-	294		
26	1	-	67	7	1,140	-	-	97		
36	1	1	11,788	14,727	135,020	10	-	45,903		
476	34	6	628	111	9,618	41	-	3,377		
-	-	-	3	-	46	-	-	3		
6	1	-	4	1	99	-	-	5		
-	-	-	10	-	118	-	-	9		
2	-	-	4	1	54	-	52,284	5		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
<u>17,878</u>	<u>3,265</u>	<u>295</u>	<u>48,536</u>	<u>19,515</u>	<u>649,988</u>	<u>1,255</u>	<u>52,284</u>	<u>97,219</u>		
(2,529)	(807)	-	(8,334)	(4,795)	7,748	-	(52,284)	-		
-	-	-	-	-	-	-	58,266	-		
2,529	807	-	8,334	4,795	(7,748)	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	5,982	-		
-	-	-	-	-	-	-	-	-		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,982</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, 2023

DESIGNATED

Dept. of Labor 17.258, 17.259 17.278	Dept. of Labor 17.277	Department of Transportation 20.516				20.521	21.023	Dept. of Treasury	
		WI Dept of Transp.	WI Dept of Transp.	WINR	20.516			21.026	21.027
WISCAP WIOA-Funded Extension of JBD Activities (38)	WISCAP National Dislocated Worker Grant QUEST (39)	WI Dept of Transp. WETAP Program Capital (40)	WI Dept of Transp. WETAP Program Operating (41)	WINR Loan Program (42)	20.516 Subtotal	WI Dept of Transp. Section 5310 Program (43)	Wisconsin Emergency Rental Assistance Program (44)	WIDOA Wisconsin Help for Homeowners Program (45)	WISCAP WEDC Workforce Innovation Grant (WIG) Increasing WI's Nursing Workforce (46)
\$ 64,866	\$ 80,861	\$ 234,195	\$ 101,077	\$ -	\$ 335,272	\$ 41,741	\$ 389,261	\$ 117,363	\$ 69,895
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,449	-	-	-
<u>64,866</u>	<u>80,861</u>	<u>234,195</u>	<u>101,077</u>	<u>-</u>	<u>335,272</u>	<u>67,190</u>	<u>389,261</u>	<u>117,363</u>	<u>69,895</u>
54,275	73,490	-	194,019	-	194,019	37,692	332,379	95,038	17,216
1,272	345	-	3,583	-	3,583	290	2,685	1,005	391
3,927	3,389	-	11,696	-	11,696	1,828	24,642	6,237	1,220
2,005	1,763	-	7,210	-	7,210	1,044	16,846	3,326	2,273
1,571	173	-	3,680	-	3,680	28	1,946	212	51
161	195	-	1,859	-	1,859	44	1,483	279	44
335	108	-	200	-	200	57	776	3,683	48,300
1,286	1,369	-	3,900	-	3,900	741	8,229	7,486	395
5	-	-	100	-	100	2	32	14	-
9	18	-	26	-	26	4	95	40	2
12	-	-	50	-	50	8	97	29	-
8	11	103,625	23	-	103,648	3	51	14	3
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,449	-	-	-
<u>64,866</u>	<u>80,861</u>	<u>103,625</u>	<u>226,346</u>	<u>-</u>	<u>329,971</u>	<u>67,190</u>	<u>389,261</u>	<u>117,363</u>	<u>69,895</u>
-	-	130,570	(125,269)	-	5,301	-	-	-	-
-	-	999,607	-	12,869	1,012,476	-	-	-	-
-	-	(125,269)	125,269	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	1,004,908	-	12,869	1,017,777	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,004,908</u>	<u>\$ -</u>	<u>\$ 12,869</u>	<u>\$ 1,017,777</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, 2023

DESIGNATED										
Dept. of Treasury		Small Business Administration			Dept. of Energy					
21.027		59.046	59.050		81.042					
WIDOA Shelter Homeless Grant (47)	21.027 Subtotal	Microloan Grant Program (48)	Program for Investment in Microentrepreneurs PRIME (49)	WIDOA DOE Weatherization WX2223.01 (50)	WIDOA BIL Weatherization WX2223.01 (51)	DOE Weatherization Readiness Funds WX2223.01 (52)	WIDOA BIL Weatherization WX2324.01 (53)	DOE Weatherization Readiness Funds WX2324.01 (54)	81.042 Subtotal	
\$ 5,175	\$ 75,070	\$ 53,323	\$ 176,488	\$ 132,097	\$ 36,995	\$ 21,199	\$ 386,074	\$ 27,723	\$ 604,088	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
5,175	75,070	53,323	176,488	132,097	36,995	21,199	386,074	27,723	604,088	
-	17,216	46,361	156,183	58,440	33,669	112	241,658	1,597	335,476	
-	391	742	1,137	1,071	92	-	1,806	6	2,975	
-	1,220	2,075	6,711	2,063	1,544	-	14,735	-	18,342	
-	2,273	1,986	9,350	3,191	1,061	-	7,101	-	11,353	
-	51	975	168	104	204	-	3,532	-	3,840	
-	44	280	462	85	395	-	7,750	-	8,230	
5,175	53,475	33	101	46	21	-	348	-	415	
-	395	700	2,286	44,416	-	21,087	75,187	25,939	166,629	
-	-	144	13	22,681	-	-	33,903	181	56,765	
-	2	11	30	-	1	-	22	-	23	
-	-	12	34	-	-	-	-	-	-	
-	3	4	13	-	8	-	32	-	40	
-	-	-	-	-	-	-	-	-	-	
5,175	75,070	53,323	176,488	132,097	36,995	21,199	386,074	27,723	604,088	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

ADVOCAP, INC.  
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
 For the Year Ended December 31, 2023

DESIGNATED

Department of Health and Human Services (DHHS)											
93.044	93.045	93.053	93.558	93.568			93.569	93.575	93.576	93.600	
Winn Cnty Home Delivery & Congregate Meals (55)	Winn Cnty Home Delivery & Congregate Meals (56)	Winn Cnty Home Delivery & Congregate Meals (57)	WIDCF Skills Enhancement TANF (58)	WIDOA LIEAP Weatherization WX2223.01 (59)	WIDOA LIEAP Weatherization WX2324.01 (60)	93.568 Subtotal	Community Services Block Grant (61)	WIDCF Child Care Counts Stabilization (62)	Refugee Business Loan Program (63)	Head Start Full-Year/ Part Day 05CH010772-05 (64)	Head Start Training & Technical Assistance 05CH010772-05 (65)
\$ 70,358	\$ 993,447	\$ 76,272	\$ 1,939	\$ 924,825	\$ 708,688	\$ 1,633,513	\$ 359,796	\$ 100,783	\$ -	\$ 3,120,402	\$ 30,475
14,644	206,772	15,875	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	9,655	-
-	-	-	-	-	-	-	-	-	-	-	-
5,432	76,702	5,889	-	-	-	-	-	-	-	347,469	-
90,434	1,276,921	98,036	1,939	924,825	708,688	1,633,513	359,796	100,783	-	3,477,526	30,475
38,169	538,948	41,378	-	466,459	211,774	\$ 678,233	85,845	100,783	-	2,529,474	-
612	8,633	663	-	3,041	3,400	6,441	10,131	-	-	36,976	-
4,938	69,724	5,353	-	31,148	22,484	53,632	7,536	-	-	230,709	-
2,034	28,725	2,205	-	14,951	10,040	24,991	7,756	-	-	212,306	-
991	13,994	1,074	-	1,122	375	1,497	1,114	-	-	29,056	-
210	2,968	228	-	2,935	600	3,535	1,036	-	-	7,588	30,475
204	2,885	222	1,939	156	301	457	5,257	-	-	21,430	-
1,889	26,675	2,048	-	298,827	382,775	681,602	1,735	-	-	66,769	-
33,741	476,411	36,577	-	98,595	76,830	175,425	29	-	-	85,425	-
2,161	30,510	2,342	-	2,679	40	2,719	1,251	-	-	34,660	-
44	619	47	-	4,890	-	4,890	158	-	-	2,427	-
9	127	10	-	22	69	91	624	-	-	297	-
-	-	-	-	-	-	-	-	-	-	-	-
5,432	76,702	5,889	-	-	-	-	-	-	-	347,469	-
90,434	1,276,921	98,036	1,939	924,825	708,688	1,633,513	122,472	100,783	-	3,604,586	30,475
-	-	-	-	-	-	-	237,324	-	-	(127,060)	-
30,553	36,431	8,268	-	-	-	-	-	-	(17,946)	-	-
-	-	-	-	-	-	-	(237,324)	-	17,946	127,060	-
-	-	-	-	-	-	-	-	-	-	-	-
30,553	36,431	8,268	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ 30,553	\$ 36,431	\$ 8,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ADVOCAP, INC.  
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
 For the Year Ended December 31, 2023

DESIGNATED

Department of Health and Human Services (DHHS)						Other State and Local Funds					
93.600			94.002	94.011		255.327	435.560330	435.560355	435.560360	435.560390	
Head Start	Head Start		CFNCS	CFNCS	Total	Wisconsin	State passthrough	State passthrough	State passthrough	Wisconsin	
Supplemental Appropriations	American		RSVP	Foster	Federal	DPI	to Winnebago County	to Winnebago County	to Winnebago County	Retired	
05HE000512-01-C5	Rescue Pan	93.600	Program	Grandparent	Funds	Head Start	Senior Meal	Title 3C1 Congregate	Title 3C-2 Home	Senior	
(66)	(67)	Subtotal	(68)	Program		Program	Program	Meal Program	Meal Program	Volunteers	
				(69)		(70)	(71)	(72)	(73)	(74)	
\$	72,835	\$ 107,165	\$ 3,330,877	\$ 180,115	\$ 162,417	\$ 10,546,750	\$ 148,794	\$ 9,532	\$ 54,111	\$ 68,180	\$ 27,644
	-	-	-	-	-	240,443	-	1,984	11,262	14,191	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	57,638	-	-	-	-	-
	-	-	9,655	-	-	9,655	-	-	-	-	-
	-	-	-	-	-	995,239	-	-	-	-	-
	-	-	347,469	-	-	460,941	-	736	4,178	5,264	-
	72,835	107,165	3,688,001	180,115	162,417	12,310,666	148,794	12,252	69,551	87,635	27,644
	-	-	-	-	-	-	-	-	-	-	-
	-	-	2,529,474	104,923	57,626	6,305,613	140,350	5,171	29,355	36,987	26,360
	-	-	36,976	1,590	785	88,202	345	83	470	593	80
	-	-	230,709	19,256	7,159	515,506	1,380	669	3,798	4,785	545
	-	-	212,306	6,123	2,514	384,679	1,035	276	1,564	1,972	414
	-	-	29,056	5,957	1,145	78,942	690	134	762	960	9
	-	-	38,063	1,504	192	62,358	-	28	162	204	34
	-	-	21,430	35,902	90,232	760,988	-	28	157	198	5
	-	-	66,769	4,199	1,061	1,079,500	-	256	1,453	1,831	192
	300	-	85,725	537	1,658	1,043,442	3,614	4,571	25,949	32,696	2
	72,535	107,165	214,360	35	14	253,778	1,380	293	1,662	2,094	3
	-	-	2,427	58	22	8,670	-	6	34	42	4
	-	-	297	25	9	234,711	-	1	7	9	2
	-	-	-	-	-	995,239	-	-	-	-	-
	-	-	347,469	-	-	460,941	-	736	4,178	5,264	-
	72,835	107,165	3,815,061	180,109	162,417	12,272,569	148,794	12,252	69,551	87,635	27,650
	-	-	(127,060)	6	-	38,097	-	-	-	-	(6)
	-	-	-	-	-	3,419,284	-	-	-	-	-
	-	-	127,060	(6)	-	(107,592)	-	-	-	-	6
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3,349,789	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 3,349,789	\$ -	\$ -	\$ -	\$ -	\$ -

ADVOCAP, INC.  
 SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER FINANCIAL ASSISTANCE - Continued  
 For the Year Ended December 31, 2023

DESIGNATED

Other State and Local Funds

Wisconsin Foster Grandparent Program (75)	Wisconsin DCF Skills Enhancement (76)	Wisconsin DOA Shelter Subsidy (77)	Wisconsin DOA Weatherization Public Benefits WX2223.01 (78)	Wisconsin DOA Weatherization Public Benefits WX2324.01 (79)	Wisconsin DOE Home Energy Assistance Program Furnace Program 2022/2023 (80)	Wisconsin DOE Home Energy Assistance Program Furnace Program 2023/2024 (81)	Wisconsin Home Energy Assistance Program Water Program 2022/2023 (82)	Wisconsin Home Energy Assistance Program Water Program 2023/2024 (83)	HCRI Homeowner Loan Program (84)	HCRI Homeowner Loan Admin Program (85)	WI DHS WISCAP JBD Funds GPR (86)
\$ 44,182	\$ 21,341	\$ 6,000	\$ 498,620	\$ 666,586	\$ 295,133	\$ 150,198	\$ 131,754	\$ 37,293	\$ 48,638	\$ 9,831	\$ 29,000
-	-	-	-	-	-	-	-	-	2,907	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>44,182</u>	<u>21,341</u>	<u>6,000</u>	<u>498,620</u>	<u>666,586</u>	<u>295,133</u>	<u>150,198</u>	<u>131,754</u>	<u>37,293</u>	<u>51,545</u>	<u>9,831</u>	<u>29,000</u>
35,350	13,295	-	230,495	233,723	30,701	13,211	15,363	5,771	-	8,965	22,545
603	162	-	2,468	2,935	879	390	233	127	-	22	769
4,246	652	-	22,321	20,724	2,146	686	1,241	1,016	-	461	1,963
1,731	1,457	-	10,887	8,272	1,130	492	586	229	-	179	3,329
399	1,109	-	2,578	2,083	47	15	17	7	-	97	48
92	19	-	7,718	(270)	68	35	58	15	-	11	32
62	4,474	6,000	713	525	17	46	9	23	-	6	12
1,168	168	-	156,916	277,397	259,180	134,699	113,530	29,948	-	88	279
506	1	-	27,050	54,101	5	-	3	-	-	1	5
14	1	-	16,559	60,554	947	622	704	156	-	-	4
6	2	-	20,900	6,258	11	-	8	-	-	1	13
5	1	-	15	284	2	2	2	1	10,912	-	1
-	-	-	-	-	-	-	-	-	-	-	-
<u>44,182</u>	<u>21,341</u>	<u>6,000</u>	<u>498,620</u>	<u>666,586</u>	<u>295,133</u>	<u>150,198</u>	<u>131,754</u>	<u>37,293</u>	<u>10,912</u>	<u>9,831</u>	<u>29,000</u>
-	-	-	-	-	-	-	-	-	40,633	-	-
-	-	-	-	-	-	-	-	-	1,249,015	-	-
-	-	-	-	-	-	-	-	-	(12,894)	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,276,754	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,276,754</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, 2023

DESIGNATED

Other State and Local Funds

Winnebago County Transportation Program (87)	Head Start School District Funds (88)	Oshkosh Area United Way GED (89)	Oshkosh Area United Way Skills (90)	Oshkosh Area United Way Nutrition (91)	Oshkosh Area United Way Garden (92)	Oshkosh Area United Way Bridges (93)	Fox Cities United Way Nutrition (94)	Oshkosh Kids Foundation (95)	Oshkosh Area Community Foundation Green Lake (96)	Oshkosh Area Community Foundation (97)	National Exchange Bank Foundation Contribution (98)	Associated Bank (99)	Commonwealth (100)
\$ 45,000	\$ 199,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	15,000	22,674	10,000	4,330	108,669	53,131	97,460	34,154	8,742	171,059	15,203	5,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>45,000</u>	<u>199,160</u>	<u>15,000</u>	<u>22,674</u>	<u>10,000</u>	<u>4,330</u>	<u>108,669</u>	<u>53,131</u>	<u>97,460</u>	<u>34,154</u>	<u>8,742</u>	<u>171,059</u>	<u>15,203</u>	<u>5,000</u>
39,974	140,383	9,410	5,643	-	2,572	73,258	-	85,936	-	1,620	-	14,589	-
338	2,498	31	27	-	-	1,343	-	466	-	-	-	34	-
2,527	30,142	3,176	397	-	-	4,122	-	5,608	-	-	37,519	180	-
1,182	16,951	1,004	748	-	-	2,948	-	2,878	-	4,275	-	190	-
88	394	434	7	-	-	573	-	269	-	-	-	129	-
55	779	38	16	-	-	581	-	230	-	-	-	5	-
59	750	254	15,707	-	-	24,739	-	113	34,154	15,056	26,317	14	5,000
758	6,712	247	127	-	1,758	1,078	-	1,912	-	-	-	62	-
3	81	398	-	10,000	-	10	53,131	8	-	-	107,223	-	-
4	95	1	1	-	-	5	-	9	-	-	-	-	-
8	340	5	-	-	-	8	-	20	-	-	-	-	-
4	35	2	1	-	-	4	-	11	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>45,000</u>	<u>199,160</u>	<u>15,000</u>	<u>22,674</u>	<u>10,000</u>	<u>4,330</u>	<u>108,669</u>	<u>53,131</u>	<u>97,460</u>	<u>34,154</u>	<u>20,951</u>	<u>171,059</u>	<u>15,203</u>	<u>5,000</u>
-	-	-	-	-	-	-	-	-	-	(12,209)	-	-	-
-	-	-	-	-	-	-	-	-	8,000	60,661	-	-	-
-	-	-	-	-	-	-	-	-	-	12,209	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	8,000	60,661	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 60,661</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, 2023

DESIGNATED							UNDESIGNATED			
Other State and Local Funds										
Saint. Vincent DePaul (101)	Other Local Grants (102)	Funds for Fines Revolving Loan Program (103)	Community Investment Program (104)	Housing Revolving Loan Fund (105)	Other State and Local Subtotal	TOTAL DESIGNATED	Sales of Services (106)	Affordable Rental Housing For Low Income People (107)	Corporate Funds (108)	TOTAL UNDESIGNATED
\$ -	\$ -	\$ -	\$ -	\$ -	2,490,997	\$ 13,037,747	\$ -	\$ -	\$ 71,500	\$ 71,500
-	-	-	-	-	30,344	270,787	64,943	418,812	3,339	487,094
-	-	-	-	-	-	-	500	-	-	500
-	-	-	-	-	-	-	-	4,836	-	4,836
-	-	-	-	-	-	57,638	8,049	-	21,546	29,595
1,500	-	-	-	-	546,922	556,577	-	-	13,352	13,352
-	-	-	-	-	-	995,239	-	-	-	-
-	-	-	-	-	10,178	471,119	-	-	-	-
<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,078,441</u>	<u>15,389,107</u>	<u>73,492</u>	<u>418,812</u>	<u>114,573</u>	<u>606,877</u>
31	-	-	-	-	1,221,058	7,526,671	50,266	192,306	893	243,465
-	-	-	-	-	14,896	103,098	-	2,291	675	2,966
-	-	-	-	-	150,304	665,810	1,550	42,819	1,473	45,842
-	-	-	-	-	63,729	448,408	614	345,771	353	346,738
-	-	-	-	-	10,849	89,791	151	5,911	1,092	7,154
-	-	-	-	-	9,910	72,268	-	568	-	568
1,469	-	-	-	-	135,907	896,895	-	273	923	1,196
-	-	-	-	-	989,759	2,069,259	5,417	5,012	-	10,429
-	-	-	-	-	319,358	1,362,800	-	15	17,101	17,116
-	-	-	-	-	85,108	338,886	-	8,159	-	8,159
-	-	-	-	-	27,666	36,336	-	1,272	-	1,272
-	-	-	-	-	11,301	246,012	5,687	28	2,900	8,615
-	-	-	-	-	-	995,239	-	-	-	-
-	-	-	-	-	10,178	471,119	-	-	-	-
<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,023</u>	<u>15,322,592</u>	<u>63,685</u>	<u>604,425</u>	<u>25,410</u>	<u>693,520</u>
-	-	-	-	-	28,418	66,515	9,807	(185,613)	89,163	(86,643)
-	5,300	6,549	192,000	17,545	1,555,348	4,958,354	-	-	1,506,925	1,506,925
-	-	-	-	-	(679)	(108,271)	-	-	108,271	108,271
-	-	-	-	-	-	-	-	74	-	74
-	5,300	6,549	192,000	17,545	1,583,087	4,916,598	-	-	-	-
-	-	-	-	-	-	-	9,807	(185,613)	1,704,433	1,528,627
<u>\$ -</u>	<u>\$ 5,300</u>	<u>\$ 6,549</u>	<u>\$ 192,000</u>	<u>\$ 17,545</u>	<u>\$ 1,583,087</u>	<u>\$ 4,916,598</u>	<u>\$ 9,807</u>	<u>\$ (185,613)</u>	<u>\$ 1,704,433</u>	<u>\$ 1,528,627</u>

**ADVOCAP, INC.**  
**RESERVE SUPPLEMENTAL SCHEDULE**  
**YEAR ENDED DECEMBER 31, 2023**

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	\$ 1,140,077	\$ 1,140,077	\$ -	\$ 57,004	\$ -
PASS Program	County	131,823	131,823	-	6,591	-

**ADVOCAP, INC.**

**SCHEDULE OF NUTRITION AND TRANSPORTATION PROGRAMS FOR THE ELDERLY  
CHANGES IN CASH BALANCES - WINNEBAGO COUNTY, WISCONSIN  
YEAR ENDED DECEMBER 31, 2023**

	<u>Grant</u>	<u>Program Income</u>	<u>Total</u>
Cash balance on 1-1-2023			\$ 75,252
Received:			
Federal III-B	\$ 70,358	\$ 14,644	\$ 85,002
Federal III-C-2	72,081	15,003	87,084
560350 III-C1 435-560355	54,111	11,262	65,373
Federal III-C-2	921,366	191,769	1,113,135
560360 III-C2 435-560360	68,180	14,191	82,371
560330 State Senior 435-560330	9,532	1,984	11,516
560422 NSIP	<u>76,272</u>	<u>15,875</u>	<u>92,147</u>
 TOTAL RECEIVED	 \$ 1,271,900	 \$ 264,728	 \$ 1,536,628
Expenditures:			
Congregate Nutrition	\$ 214,603	\$ 44,666	\$ 259,269
Home Delivered Nutrition	1,047,765	218,078	1,265,843
Senior Comm Serv (state)	<u>9,532</u>	<u>1,984</u>	<u>11,516</u>
 TOTAL EXPENDITURES	 \$ 1,271,900	 \$ 264,728	 \$ 1,536,628
 Cash balance on 12-31-2023			 \$ 75,252

Reconciliation to Schedule of Federal Awards:	<u>Grant</u>	<u>Program Income</u>	<u>In-Kind</u>	<u>Cash</u>
Home Delivered & Congregate (Column 55)	\$ 70,358	\$ 14,644	\$ 5,432	\$ 85,002
Home Delivered & Congregate (Column 56)	993,447	206,772	76,702	1,200,219
Home Delivered & Congregate (Column 57)	76,272	15,875	5,889	92,147
Home Delivered & Congregate (Column 71)	9,532	1,984	736	11,516
Home Delivered & Congregate (Column 72)	54,111	11,262	4,178	65,373
Home Delivered & Congregate (Column 73)	<u>68,180</u>	<u>14,191</u>	<u>5,264</u>	<u>82,371</u>
	 <u>\$ 1,271,900</u>	 <u>\$ 264,728</u>	 <u>\$ 98,201</u>	 <u>\$ 1,536,628</u>

**ADVOCAP, INC.**  
**SCHEDULE OF EMERGENCY FURNACE ACTIVITY BY CONTRACT**  
**YEAR ENDED DECEMBER 31, 2023**

<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 2022-23	\$ 65,297	\$ 335,134	\$ -	\$ 400,431	\$ 400,431
Emergency Furnace 2022-23	\$ -	\$ 159,384	\$ -	\$ 159,384	\$ 150,198

**SCHEDULE OF WATER PROGRAM ACTIVITY BY CONTRACT**  
**YEAR ENDED DECEMBER 31, 2023**

<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>
Water 2022-23	\$ 11,277	\$ 137,744	\$ -	\$ 149,021	\$ 149,021
Water 2023-24	\$ -	\$ 29,269	\$ -	\$ 29,269	\$ 37,293

**ADVOCAP, INC.**  
**SETTLEMENT OF DHS COST REIMBURSEMENT AWARD**  
**YEAR ENDED DECEMBER 31, 2023**

<b>CFDA number</b>	10.568	10.568	10.568	435.560390	Unknown
<b>DHS identification number</b>	CARS # 70010	CARS # 70010	CARS # 70015	CARS # 560390	CARS # 560450
<b>Award amount</b>	\$ 47,440	\$ 40,800	\$ 13,474	\$ 27,644	\$ 44,182
<b>Award period</b>	10/1/22 - 9/30/23	10/1/23 - 9/30/24	02/01/23 - 09/30/23	1/1/23 - 12/31/23	1/1/23 - 12/31/23
<b>Period of award within audit period</b>	01/01/23 - 9/30/23	10/1/23 - 12/31/23	02/01/23 - 09/30/23	1/1/23 - 12/31/23	1/1/23 - 12/31/23
<b>Expenditures reported to DHS for payment</b>	\$ 44,289	\$ 17,486	\$ 13,474	\$ 27,644	\$ 44,182
<b>Actual allowable cost of award</b>					
<b>Program expenses</b>					
Compensation of officers, directors, and key employees	\$ 12,779	\$ 3,795	\$ 2,851	\$ 15,599	\$ 21,461
Pension plan contributions	639	190	143	780	1,073
Other employee benefits	10,358	3,312	-	1,961	5,634
Accounting	63	106	-	80	603
Office operations	1,579	281	-	540	4,228
Occupancy	5,305	1,737	-	400	1,695
Travel	494	377	-	7	358
Conferences and conventions	-	12	-	24	71
Participant and volunteer	-	19	-	5	58
Subcontractors	2,791	5,570	10,480	192	1,168
Program materials	4,335	400	-	2	506
Vehicle operation	3	1	-	3	14
Tools and equipment	9	4	-	5	11
Total program expenses	<u>38,355</u>	<u>15,804</u>	<u>13,474</u>	<u>19,598</u>	<u>36,880</u>
<b>Management and general expenses allocated to program</b>					
Compensation of officers, directors and key employees, allocated based on direct labor hours	3,977	1,176	-	5,708	4,902
Pension plan contributions, allocated based on direct labor hours	199	59	-	285	245
Other employee benefits, allocated based on direct labor hours	1,589	428	-	2,022	2,035
Accounting, allocated based on budgeted revenue	75	-	-	-	-
Office operations, allocated based on direct labor hours	10	2	-	5	18
Occupancy, allocated based on square footage of space used	20	6	-	14	36
Travel, allocated based on direct labor hours	5	7	-	2	41
Conferences and conventions, allocated based on direct labor hours	50	4	-	10	21
Participant and volunteer, allocated based on direct labor hours	9	-	-	-	4
Total management and general expenses	<u>5,934</u>	<u>1,682</u>	<u>-</u>	<u>8,046</u>	<u>7,302</u>
<b>Total Allowable Costs</b>	<u>\$ 44,289</u>	<u>\$ 17,486</u>	<u>\$ 13,474</u>	<u>\$ 27,644</u>	<u>\$ 44,182</u>

**ADVOCAP, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2023**

**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>ALN No.</u>	<u>Amount</u>
	Emergency Rental Assistance Program	21.023	\$ 389,261
	TEFAP Commodities/Administration	10.568/10.569	1,057,014
	Weatherization	81.042	604,088
	Low Income Weatherization	93.568	1,633,513

Identification of major state programs:

Wisconsin Department of Energy			
Home Energy Assistance Program	505.371	\$	614,378
Public Benefits - Weatherization	505.371		1,165,206

- |    |  |           |
|----|--|-----------|
| 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, 2023**

**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 <i>State Single Audit Guidelines</i> : |  |
|    | 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   | <div style="text-align: center;"> <br/> <hr style="width: 100%;"/> </div> |
| 5. | Date of report  | <div style="text-align: center;"> <hr style="width: 100%;"/> <p>June 5, 2024</p> <hr style="width: 100%;"/> </div>   |