



Consolidated Financial Statements
June 30, 2019 and 2018

**Guadalupe Center Educational
Programs, Inc.**

Guadalupe Center Educational Programs, Inc.

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June 30, 2019 and 2018

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Independent Auditor's Report

The Board of Directors
Guadalupe Center Educational Programs, Inc.
Salt Lake City, Utah

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Guadalupe Center Educational Programs, Inc. (a nonprofit organization) which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Guadalupe Center Educational Programs, Inc. as of June 30, 2019 and 2018, and the change 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.

Change in Accounting Policy

As discussed in Note 16 to the consolidated financial statements, Guadalupe Center Educational Programs, Inc. has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Accordingly, the June 30, 2018 consolidated financial statements have been restated to adopt this standard. Our opinion is not modified with respect to this matter.

Other Matters**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary information shown on pages 25 - 32 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



Salt Lake City, Utah
December 9, 2019

Guadalupe Center Educational Programs, Inc.
Consolidated Statements of Financial Position
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u> (As Restated)
Assets		
Current assets		
Cash and cash equivalents	\$ 736,728	\$ 370,843
Restricted cash	58,500	58,500
Government grants and contracts receivable	241,535	206,800
Contributions receivable	123,915	132,302
Other receivables	4,418	23,416
Prepaid expenses and deposits	<u>15,309</u>	<u>10,188</u>
Total current assets	1,180,405	802,049
Property and equipment, net	7,098,901	7,431,424
Note receivable	6,724,000	6,724,000
Restricted cash	18,111	76,611
Investments	396,196	369,297
Endowment - investments	755,562	715,194
Beneficial interest in assets held by recipient organization	<u>233,201</u>	<u>219,513</u>
	<u>\$ 16,406,376</u>	<u>\$ 16,338,088</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 19,049	\$ 14,750
Accrued liabilities	287,550	242,097
Deferred revenue	<u>203,152</u>	<u>48,554</u>
Total current liabilities	509,751	305,401
Long-term debt, less unamortized debt issuance costs of \$116,441 in 2019 and \$179,355 in 2018	<u>9,633,559</u>	<u>9,570,645</u>
Total liabilities	<u>10,143,310</u>	<u>9,876,046</u>
Net assets		
Without donor restrictions		
Undesignated	4,815,643	5,111,911
Board designated endowment	<u>755,562</u>	<u>715,194</u>
Total net assets without donor restrictions	<u>5,571,205</u>	<u>5,827,105</u>
With donor restrictions		
Purpose restrictions	458,660	415,424
Endowment	<u>233,201</u>	<u>219,513</u>
Total net assets with donor restrictions	<u>691,861</u>	<u>634,937</u>
Total net assets	<u>\$ 16,406,376</u>	<u>\$ 16,338,088</u>

Guadalupe Center Educational Programs, Inc.

Consolidated Statements of Activities
Years Ended June 30, 2019 and 2018

	2019	2018 (As Restated)
Net Assets Without Donor Restrictions		
Public support		
Private donations	\$ 28,326	\$ 338,810
United Way	-	59,230
Public grants and contracts		
Charter School - federal funding	552,756	498,123
Charter School - state funding	2,447,669	2,241,270
State of Utah - Division of Child and Family Services	73,000	73,000
Salt Lake County - SSBG	40,000	40,000
Salt Lake City - CDBG	30,000	30,000
Adult Basic Education	195,327	195,327
Revenue		
Interest income	97,490	97,490
Net investment return	67,267	56,460
Other	2,667	22,443
Special events revenue	164,538	154,522
Less costs of direct benefits to donors	(35,773)	(31,182)
	3,663,267	3,775,493
Net Assets Released from Restrictions		
Restrictions satisfied	1,111,781	859,096
Total public support and revenue without donor restrictions	4,775,048	4,634,589
Expenses		
Program services		
Guadalupe Charter School	3,296,731	3,209,914
Adult Education Program	528,476	499,101
Preschool Program	349,230	388,672
Toddler Beginnings	189,412	196,472
In-Home Program	282,990	296,295
Total program services	4,646,839	4,590,454
Supporting services		
Management and general	189,440	169,201
Fundraising	194,669	179,226
Total supporting services	384,109	348,427
Total expenses	5,030,948	4,938,881
Change in Net Assets Without Donor Restrictions	(255,900)	(304,292)

(Continued)

Guadalupe Center Educational Programs, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u> (As Restated)
With Donor Restrictions - Purpose Restrictions		
Public support		
Private donations	\$ 864,666	\$ 479,500
United Way	290,351	237,125
Net Assets Released from Restrictions		
Restrictions satisfied	<u>(1,111,781)</u>	<u>(859,096)</u>
Change in Net Assets With Donor Restrictions from Operations	43,236	(142,471)
Change in Interest in Net Assets of Recipient Organization	<u>13,688</u>	<u>11,378</u>
Change in Net Assets With Donor Restrictions	<u>56,924</u>	<u>(131,093)</u>
Change in Net Assets	(198,976)	(435,385)
Net Assets, Beginning of Year	<u>6,462,042</u>	<u>6,897,427</u>
Net Assets, End of Year	<u><u>\$ 6,263,066</u></u>	<u><u>\$ 6,462,042</u></u>

Guadalupe Center Educational Programs, Inc.
Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services						Supporting Services			Total Expenses
	Guadalupe Charter School	Adult Education Program	Preschool Program	Toddler Beginnings	In-Home Program	Total	Management and General	Fundraising	Total	
Salaries	\$ 1,869,403	\$ 344,303	\$ 206,785	\$ 126,034	\$ 167,949	\$ 2,714,474	\$ 44,160	\$ 107,958	\$ 152,118	\$ 2,866,592
Benefits	401,366	56,697	56,544	17,895	35,946	568,448	24,617	20,388	45,005	613,453
Professional and technical services	238,577	7,725	6,392	2,599	3,880	259,173	17,072	3,001	20,073	279,246
Purchased property services (repairs and maintenance)	138,562	22,426	19,142	10,803	16,334	207,267	2,304	8,499	10,803	218,070
Other purchased services	24,209	2,727	2,225	1,195	3,523	33,879	17,230	4,046	21,276	55,155
Supplies	305,114	12,120	5,395	1,655	4,349	328,633	2,873	11,823	14,696	343,329
Depreciation	205,175	60,179	39,602	21,417	38,033	364,406	11,671	29,898	41,569	405,975
Interest	104,609	19,266	11,571	7,052	9,398	151,896	2,471	6,041	8,512	160,408
Asset management fee	-	-	-	-	-	-	50,000	-	50,000	50,000
Other	9,716	3,033	1,574	762	3,578	18,663	17,042	3,015	20,057	38,720
Special events	-	-	-	-	-	-	-	35,773	35,773	35,773
Total expenses	3,296,731	528,476	349,230	189,412	282,990	4,646,839	189,440	230,442	419,882	5,066,721
Less expenses included as revenue on the statement of activities - costs of direct benefits to donors	-	-	-	-	-	-	-	(35,773)	(35,773)	(35,773)
	<u>\$ 3,296,731</u>	<u>\$ 528,476</u>	<u>\$ 349,230</u>	<u>\$ 189,412</u>	<u>\$ 282,990</u>	<u>\$ 4,646,839</u>	<u>\$ 189,440</u>	<u>\$ 194,669</u>	<u>\$ 384,109</u>	<u>\$ 5,030,948</u>

Guadalupe Center Educational Programs, Inc.
Consolidated Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services					Supporting Services			Total Expenses	
	Guadalupe Charter School	Adult Education Program	Preschool Program	Toddler Beginnings	In-Home Program	Total	Management and General	Fundraising		Total
Salaries	\$ 1,819,991	\$ 321,532	\$ 223,541	\$ 124,802	\$ 181,755	\$ 2,671,621	\$ 46,601	\$ 105,204	\$ 151,805	\$ 2,823,426
Benefits	408,526	54,768	63,778	21,511	37,345	585,928	27,790	20,084	47,874	633,802
Professional and technical services	186,131	5,659	22,025	8,154	4,797	226,766	6,484	2,405	8,889	235,655
Purchased property services (repairs and maintenance)	97,245	18,137	15,438	8,604	12,955	152,379	1,827	6,766	8,593	160,972
Other purchased services	24,854	2,698	2,236	1,183	9,330	40,301	7,869	11,618	19,487	59,788
Supplies	355,908	20,274	6,187	3,232	3,616	389,217	3,034	4,563	7,597	396,814
Depreciation	198,688	54,327	40,729	21,285	31,777	346,806	9,708	21,061	30,769	377,575
Interest	103,403	18,269	12,700	7,091	10,326	151,789	2,648	5,978	8,626	160,415
Asset management fee	-	-	-	-	-	-	50,000	-	50,000	50,000
Other	15,168	3,437	2,038	610	4,394	25,647	13,240	1,547	14,787	40,434
Special events	-	-	-	-	-	-	-	31,182	31,182	31,182
Total expenses	3,209,914	499,101	388,672	196,472	296,295	4,590,454	169,201	210,408	379,609	4,970,063
Less expenses included as revenue on the statement of activities - costs of direct benefits to donors	-	-	-	-	-	-	-	(31,182)	(31,182)	(31,182)
	<u>\$ 3,209,914</u>	<u>\$ 499,101</u>	<u>\$ 388,672</u>	<u>\$ 196,472</u>	<u>\$ 296,295</u>	<u>\$ 4,590,454</u>	<u>\$ 169,201</u>	<u>\$ 179,226</u>	<u>\$ 348,427</u>	<u>\$ 4,938,881</u>

Guadalupe Center Educational Programs, Inc.

Consolidated Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ (198,976)	\$ (435,385)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	405,975	377,575
Interest expense attributable to amortization of debt issuance costs	62,914	62,914
Change in interest in net assets of recipient organization	(13,688)	(11,378)
Net investment return	(67,267)	(56,460)
Changes in operating assets and liabilities		
Government grants and contracts receivable	(34,735)	(45,552)
Contributions receivable	8,387	38,661
Other receivables	18,998	(605)
Prepaid expenses and deposits	(5,121)	(3,417)
Accounts payable and accrued liabilities	49,752	(7,894)
Deferred revenue	154,598	(20,752)
Net Cash from (used for) Operating Activities	380,837	(102,293)
Investing Activities		
Purchases of property and equipment	(73,452)	(80,789)
Proceeds from interest in net assets of recipient organization	-	7,182
Decrease in restricted cash	58,500	58,500
Distributions of investments	-	51,341
Purchases of endowment investments	-	(51,339)
Net Cash used for Investing Activities	(14,952)	(15,105)
Financing Activities		
Collections of contributions restricted for property and equipment	-	10,000
Net Cash from Financing Activities	-	10,000
Net Change in Cash and Cash Equivalents	365,885	(107,398)
Cash and Cash Equivalents, Beginning of Year	370,843	478,241
Cash and Cash Equivalents, End of Year	\$ 736,728	\$ 370,843
<u>Supplemental Cash Flow Information</u>		
Interest paid	\$ 97,494	\$ 97,500

Note 1 - Summary of Significant Accounting Policies**Operational Purpose**

Guadalupe Center Educational Programs, Inc. is a nonprofit corporation organized under the laws of the State of Utah to provide educational services as a sustainable way to end the cycle of poverty in families. The In-Home program sends counselors into low-income homes to help new parents create an environment that nurtures their child's cognitive development. Toddler Beginnings and Preschool Programs expose young learners to the school environment and ensure kindergarten readiness. Students enter the Guadalupe Charter School (GCS) at age five to continue their high-quality, individualized education until 6th grade. The Adult Education Program offers classes in English as a second language, U.S. citizenship, and job skills to parents and adult community members. Funding for these programs comes from private donations, government grants and contracts.

GCS received charter school status starting in the 2007/2008 school year. Charter schools are funded by the State of Utah on a per pupil basis. The Utah State Legislature appropriates funds each year to replace a portion of the property tax revenues usually distributed through local school districts that are not available to charter schools. Charter schools, including GCS, may apply for state, federal and specialized funds if qualifying students are served in approved programs. GCS is governed by a local board of trustees comprised of parents as well as members of the Board of Directors of Guadalupe Center Educational Programs Inc. and the community at large.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Guadalupe Center Educational Programs, Inc., Guadalupe Holding Company (GHC), and Friends of Guadalupe (FOG). The consolidated entities are collectively referred to as "GEP." All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. GHC and FOG are tax-exempt supporting organizations organized during October 2013 in connection with the financing, construction, and ownership of the Guadalupe School building, which was completed and placed in service during August 2014.

The accompanying consolidated financial statements of GEP have been prepared using the accrual method of accounting.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand and highly liquid investments with maturities of three months or less. Restricted cash is not considered a cash equivalent.

Receivables and Credit Policies

Receivables consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At June 30, 2019 and 2018, the allowance was \$0.

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2019 and 2018, the allowance was \$0.

Property and Equipment

Property and equipment are recorded at acquisition cost or, where donated, at estimated fair value at the date of the donation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Property and equipment have been assigned useful lives ranging from three to thirty-nine years. Expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities.

GEP reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2019 and 2018.

Beneficial Interest in Assets Held by Recipient Organization

The Catholic Foundation of Utah (CFU) is the recipient organization that holds an endowment fund for the benefit of GEP. As CFU has not been granted variance power, that is, the unilateral power to redirect the use of the transferred assets to another beneficiary, GEP recognizes its rights to the assets and adjusts that interest for its share of the change in net assets of CFU related to the transferred assets in accordance with generally accepted accounting principles (GAAP). Accounting for changes in the interest in net assets of recipient organization is recorded as an increase or decrease in temporarily restricted net assets until appropriated for expenditure by GEP (time restriction).

Investments

GEP records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Concentration and Credit Risk

As a charter school, GCS receives a significant amount of funding from the State of Utah. If this funding were lost, it would have a material adverse effect on the financial condition of GEP.

Investments are made by diversified investment managers whose performance is monitored by GEP and the Board of Directors (the Board). Although the fair values of investments are subject to fluctuation on a year-to-year basis, GEP believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of GEP's mission.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the organization's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2019 and 2018, respectively.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Deferred revenue represents primarily unexpended charter school funding received but not expended at year end.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, professional and technical services, supplies, depreciation, interest, and other, which are allocated on the basis of estimates of time and effort.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and those differences could be material.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method which approximates the effective interest method. Debt issuance costs are included within long-term debt on the consolidated statements of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

Income Tax Status

Guadalupe Center Educational Programs, Inc. is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), that qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

GHC and FOG are organized as Utah nonprofit corporations and have been recognized by the (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(viii), and have been determined not to be private foundations under Section 509(a)(3).

GHC has been determined to be a Type III functionally integrated supporting organization under Section 509(a)(3). FOG has been determined to be a Type II supporting organization under Section 509(a)(3).

GHC and FOG are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organizations are subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The organizations have determined that they are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

GEP believes that each entity has appropriate support for any tax positions taken affecting their annual filing requirements and, as such, do not have any uncertain tax positions that are material to the consolidated financial statements. The organizations would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update 2016-14

As of July 1, 2018, GEP adopted the provisions of FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-For-Profit-Entities*. GEP believes the standard improves the usefulness and understandability of GEP's consolidated financial statement reporting. Accordingly, the accompanying consolidated financial statements and related notes follow the net asset classification, presentation, and disclosure requirements prescribed by the ASU.

The amendments should be applied on a retrospective basis; however, if presenting comparative consolidated financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. GEP has elected not to present comparative information for the disclosure about liquidity and availability of resources.

Subsequent Events

Management has evaluated subsequent events through December 9, 2019, the date the consolidated financial statements were available to be issued.

Note 2 - 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:

Cash and cash equivalents	\$ 736,728
Contributions receivable	11,415
Government grants and contracts receivable	241,535
Other receivables	4,418
	<u>994,096</u>
	<u>\$ 994,096</u>

Additionally, GEP has endowment funds that consist of funds designated by the Board that total \$755,562, as of June 30, 2019, as well as investment funds that total \$396,196, as of June 30, 2019. Although GEP does not intend to spend from this board-designated endowment fund or the investment account, the endowment and part of the investment amounts could be made available, if necessary, for general expenditures.

Note 3 - New Markets Tax Credit Project

In connection with GEP's efforts to build a new school building, GEP partnered with Chase Community Equity, LLC (Chase) and has obtained additional funding by utilizing the New Markets Tax Credit Program (NMTC). As part of the process to obtain NMTC funding, two tax-exempt entities were created (GHC and FOG).

The NMTC permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDE). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is 6% annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

GHC has recorded long-term debt payable to Alliance Finance Fund 5, LLC in connection with the NMTC project (see Note 13). This long-term debt was funded to GHC by means of an investment made in Alliance Finance Fund 5, LLC by Chase NMTC GCEP Investment Fund, LLC (Chase NMTC) (owned 100% by Chase). Chase NMTC has a promissory note payable to FOG for \$6,724,000 (see Note 7), representing the leveraged portion of the investment.

In addition, Guadalupe Center Educational Programs, Inc. has entered into a put/call option agreement with Chase (the 100% owner of Chase NMTC) (the Seller). For a 90-day period following the end of the tax credit investment period (seven years), the Seller may put their interest in Chase NMTC to GEP for \$1,000. If the Seller does not put their interest in Chase NMTC to GEP, GEP may exercise an option to call the interest of the Seller in Chase NMTC and purchase it for an amount defined in the put/call option agreement, intended to represent the fair-market value of the Seller's interest in Chase NMTC at that time. Neither party is required to exercise its option under this agreement.

Note 4 - Restricted Cash

Restricted cash consists of cash restricted for the future payment of CDE management fees and audit/tax fees related to the financing of the new school building. At June 30, 2019, \$58,500 of this cash is considered current and \$18,111 is considered noncurrent. At June 30, 2018, \$58,500 of this cash is considered current and \$76,611 is considered noncurrent.

Note 5 - Government Grants and Contracts Receivable

Government grants and contracts receivable totaling \$241,535 and \$206,800 at June 30, 2019 and 2018, respectively, represent amounts due from certain state and local government agencies for reimbursement of various approved expenses under grants or contracts.

Note 6 - Contributions Receivable

Contributions receivable consist of the following at June 30, 2019 and 2018:

	2019	2018
United Way	\$ 112,500	\$ 125,000
Other organizations	11,415	7,302
	\$ 123,915	\$ 132,302

Note 7 - Property and Equipment

Property and equipment consists of the following at June 30, 2019 and 2018:

	2019	2018
Land	\$ 425,435	\$ 425,435
Building	6,929,171	6,929,171
Furniture and equipment	1,338,851	1,265,399
Vehicles	488,270	488,270
	9,181,727	9,108,275
Less accumulated depreciation	(2,082,826)	(1,676,851)
	\$ 7,098,901	\$ 7,431,424

Note 8 - Note Receivable

Note receivable consists of a note receivable from Chase NMTC GCEP Investment Fund, LLC, an unrelated entity involved in the financing of the school building (Note 3). The note carries an interest rate of 1.449885% and requires quarterly interest-only payments through January 2021, at which time quarterly principal and interest payments are required through December 31, 2053, the date of maturity.

Future maturities of the note receivable are as follows:

<u>Year Ending June 30,</u>	
2020	\$ -
2021	79,768
2022	161,278
2023	163,629
2024	166,014
Thereafter	<u>6,153,312</u>
	<u>\$ 6,724,000</u>

Note 9 - Endowment

During the year ended June 30, 2017, GEP established an endowment fund (the Endowment) held by FOG to receive gifts and to provide support for the activities and general operations of GEP. Net assets associated with endowment funds are classified and reported based on the existence or absence of any donor-imposed restrictions. As of June 30, 2019 and 2018, Endowment net assets totaled \$755,562 and \$715,194, respectively, and represent unrestricted net assets designated for investment by the Board.

Investment and Spending Policies

GEP has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The performance objective is to achieve returns at least equal to relevant benchmarks. Actual returns in any given year may vary. To satisfy this long-term rate-of return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The annual net earnings of unrestricted Endowment funds may be committed, granted or expended for the activities and purposes of GEP in an amount not to exceed 10% of the total value of the fund upon unanimous approval of the Board.

Guadalupe Center Educational Programs, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Changes in Endowment net assets for the years ended June 30, 2019 and 2018, are as follows:

	2019	2018
Endowment net assets, beginning of year	\$ 715,194	\$ 622,436
Purchase (sale) of investments	-	51,339
Investment return		
Interest and dividends, net of fees	23,758	13,963
Net realized and unrealized gain	16,610	27,456
Endowment net assets, end of year	\$ 755,562	\$ 715,194

Note 10 - Beneficial Interest in Assets Held by Recipient Organization

In approximately 1985, an endowment fund with donor restrictions that are perpetual in nature was established with Catholic Foundation of Utah (CFU). CFU is responsible for the investment and administration of the fund and the earnings are to be used to benefit GEP. The restricted corpus balance is \$165,000 at June 30, 2019 and 2018. GEP does not believe that CFU has variance power as defined by GAAP and, therefore, records its interest in the changes in the net assets of CFU related to this endowment.

At June 30, 2019 and 2018, GEP has recorded \$233,201 and \$219,513, respectively, as its interest in the net assets of CFU relating to this endowment. During the years ended June 30, 2019 and 2018, GEP recorded a gain of \$13,688 and \$11,378, respectively, as change in interest in the net assets of CFU and received a distribution of interest in net assets of CFU of \$0 and \$7,182, respectively.

Investments maintained by CFU on behalf of GEP in an endowment fund are carried at fair value, and realized and unrealized gains and losses are reflected in the consolidated statements of activities.

Account activity for the years ended June 30, 2019 and 2018, is reflected in the following table:

	2019	2018
Interest in the net assets of recipient organization, beginning of year	\$ 219,513	\$ 215,317
Investment returns (net of expenses)		
Net realized and unrealized gains and losses	13,688	11,378
Withdrawals/amounts appropriated for operations	-	(7,182)
Interest in the net assets of recipient organization, end of year	233,201	219,513
Allocated to net assets subject to endowment spending policy appropriation	(68,201)	(54,513)
Net assets with donor restrictions - perpetual in nature, end of year	\$ 165,000	\$ 165,000

The Board has interpreted state law to not require the preservation of the purchasing power (real value) of the permanent Endowment funds unless explicit donor stipulations specify otherwise. The donor of the endowment has specifically stipulated that the original endowment principal may only be expended with the prior written consent of the donor. For the years ended June 30, 2019 and 2018, \$0 and \$7,182, respectively, was appropriated from previous appreciation of the endowment fund and was released.

Note 11 - Fair Value Measurements

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to GEP's assessment of the quality, risk or liquidity profile of the asset or liability.

Investment assets and endowment investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. The fair value of GEP's beneficial interest in assets held by CFU is based on the fair value of fund investments as reported by CFU. These are considered to be Level 2 measurements.

Guadalupe Center Educational Programs, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

The following table presents assets measured at fair value on a recurring basis at June 30, 2019:

<u>Assets</u>	<u>Fair Value Measurements at Report Date Using</u>			<u>Total</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>	
Beneficial interest in assets held by recipient organization	\$ -	\$ 233,201	\$ -	\$ 233,201
Investments				
Cash and money market funds	\$ 12,725	\$ -	\$ -	\$ 12,725
Fixed income mutual funds	257,749	-	-	257,749
U.S. equity mutual funds	125,722	-	-	125,722
	<u>\$ 396,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,196</u>
Endowment investments				
Cash and money market funds	\$ 5,060	\$ -	\$ -	\$ 5,060
Fixed income mutual funds	272,183	-	-	272,183
U.S. equity mutual funds	290,239	-	-	290,239
International equity mutual funds	159,592	-	-	159,592
Asset allocation mutual funds	28,488	-	-	28,488
	<u>\$ 755,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 755,562</u>

Guadalupe Center Educational Programs, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2018:

Assets	Fair Value Measurements at Report Date Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Beneficial interest in assets held by recipient organization	\$ -	\$ 219,513	\$ -	\$ 219,513
Investments				
Cash and money market funds	\$ 3,562	\$ -	\$ -	\$ 3,562
Fixed income mutual funds	249,367	-	-	249,367
U.S. equity mutual funds	116,368	-	-	116,368
	<u>\$ 369,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,297</u>
Endowment investments				
Cash and money market funds	\$ 2,051	\$ -	\$ -	\$ 2,051
Fixed income mutual funds	255,969	-	-	255,969
U.S. equity mutual funds	275,210	-	-	275,210
International equity mutual funds	153,592	-	-	153,592
Asset allocation mutual funds	28,372	-	-	28,372
	<u>\$ 715,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 715,194</u>

Note 12 - Net Investment Return

Net investment return consists of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Operating investments		
Interest and dividends	\$ 9,160	\$ 8,192
Net realized and unrealized gain	17,739	6,849
	<u>26,899</u>	<u>15,041</u>
Endowment investments		
Interest and dividends	26,601	16,522
Net realized and unrealized gain	16,610	27,456
Less custodial fees	(2,843)	(2,559)
	<u>40,368</u>	<u>41,419</u>
	<u>\$ 67,267</u>	<u>\$ 56,460</u>

Note 13 - Long-Term Debt

Long-term debt consists of the following at June 30, 2019 and 2018:

	2019	2018
<p>Notes payable to Alliance Finance Fund 5, LLC, an unrelated entity involved in the financing of the school building (Note 3), interest at 1.00%, quarterly interest-only payments beginning January 9, 2014. No prepayment of these notes permitted prior to the NMTC recapture period. On January 9, 2021, the notes require quarterly payments of principal and interest such that the full amount of the notes and any unpaid interest will be repaid by December 31, 2053. Secured by a trust deed on the property. Net of unamortized debt issuance costs of \$116,441 in 2019 and \$179,355 in 2018, based on an effective interest rate of 1.22%.</p>	<p><u>\$ 9,633,559</u></p>	<p><u>\$ 9,570,645</u></p>
Total long-term debt	<p><u><u>\$ 9,633,559</u></u></p>	<p><u><u>\$ 9,570,645</u></u></p>

Future maturities of long-term debt are as follows:

Year Ending June 30,	
2020	\$ -
2021	125,030
2022	251,940
2023	254,469
2024	257,023
Thereafter	8,861,538
Unamortized debt issuance costs, net	<u>(116,441)</u>
	<u><u>\$ 9,633,559</u></u>

Note 14 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose		
Capital campaign	\$ 128,594	\$ 140,333
Restricted cash - CDE fees	76,611	135,111
Early Learning Center	58,066	50,180
Adult Education	120,342	13,000
Guadalupe Charter School	75,047	70,800
Other	-	6,000
	<u>458,660</u>	<u>415,424</u>
Endowment		
Perpetual in nature, not subject to spending policy or appropriation	165,000	165,000
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation (Note 10)	<u>68,201</u>	<u>54,513</u>
	<u>233,201</u>	<u>219,513</u>
	<u>\$ 691,861</u>	<u>\$ 634,937</u>

Note 15 - Defined Contribution Retirement Plan

GEP sponsors a defined contribution retirement plan (the Plan). All employees who have attained the age of 21 are eligible to participate in the Plan. GEP makes matching plan contributions on behalf of participating, eligible employees in the amount of 50% of deferred employee compensation not to exceed 10% of their salary.

Effective January 1, 2019, the Plan merged into the UAPCS Retirement Plan, a qualified multiemployer plan. In connection with this merger, all participant accounts became 100% vested. For the years ended June 30, 2019 and 2018, GEP contributed \$40,987 and \$63,941, respectively, to the Plan.

Note 16 - Restatement Resulting from Change in Accounting Policies

As disclosed in Note 1, GEP adopted the provisions of ASU 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities* as of June 30, 2018. As a part of the adoption, changes were made to the presentation of the consolidated financial statements and the classification of net assets. The following is a summary of the effects of the change in accounting policy in GEP's June 30, 2018 consolidated financial statements.

Guadalupe Center Educational Programs, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

The effect on GEP's consolidated statement of financial position as of June 30, 2018, is as follows:

	<u>As Previously Reported</u>	<u>Adoption of ASU 2016-14</u>	<u>As Restated</u>
Unrestricted net assets	\$ 5,827,105	\$ (5,827,105)	\$ -
Temporarily restricted net assets	469,937	(469,937)	-
Permanently restricted net assets	165,000	(165,000)	-
Net assets without donor restrictions	-	5,827,105	5,827,105
Net assets with donor restrictions	-	634,937	634,937

The effect on GEP's consolidated statement of activities for the year ended June 30, 2018, is as follows:

	<u>As Previously Reported</u>	<u>Adoption of ASU 2016-14</u>	<u>As Restated</u>
Net Assets, Beginning of Year			
Unrestricted	\$ 6,131,397	\$ (6,131,397)	\$ -
Temporarily restricted	601,030	(601,030)	-
Permanently restricted	165,000	(165,000)	-
Net assets without donor restrictions	-	6,131,397	6,131,397
Net assets with donor restrictions	-	766,030	766,030
Net Assets, End of Year			
Unrestricted	\$ 5,827,105	\$ (5,827,105)	\$ -
Temporarily restricted	469,937	(469,937)	-
Permanently restricted	165,000	(165,000)	-
Net assets without donor restrictions	-	5,827,105	5,827,105
Net assets with donor restrictions	-	634,937	634,937



Supplementary Information
June 30, 2019 and 2018

**Guadalupe Center Educational
Programs, Inc.**

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Financial Position
June 30, 2019

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 729,110	\$ 7,618	\$ -	\$ -	\$ 736,728
Restricted cash	-	58,500	-	-	58,500
Government grants and contracts receivable	241,535	-	-	-	241,535
Contributions receivable	123,915	-	-	-	123,915
Intercompany receivable	651,340	-	-	(651,340)	-
Other receivables	4,418	-	-	-	4,418
Prepaid expenses and deposits	15,309	-	-	-	15,309
Total current assets	1,765,627	66,118	-	(651,340)	1,180,405
Property and equipment, net	250,449	8,115,680	-	(1,267,228)	7,098,901
Note receivable	-	-	6,724,000	-	6,724,000
Restricted cash	-	18,111	-	-	18,111
Investments	396,196	-	-	-	396,196
Endowment - investments	-	-	755,562	-	755,562
Beneficial interest in assets held by recipient organization	233,201	-	-	-	233,201
	<u>\$ 2,645,473</u>	<u>\$ 8,199,909</u>	<u>\$ 7,479,562</u>	<u>\$ (1,918,568)</u>	<u>\$ 16,406,376</u>
Liabilities and Net Assets					
Current liabilities					
Accounts payable	\$ 18,264	\$ 785	\$ -	\$ -	\$ 19,049
Accrued liabilities	287,550	-	-	-	287,550
Deferred revenue	203,152	-	-	-	203,152
Intercompany payable	-	-	651,340	(651,340)	-
Total current liabilities	508,966	785	651,340	(651,340)	509,751
Long-term debt	-	9,750,000	-	-	9,750,000
Unamortized debt issuance costs	(28,160)	(88,281)	-	-	(116,441)
Long-term debt, less unamortized debt issuance costs	<u>(28,160)</u>	<u>9,661,719</u>	<u>-</u>	<u>-</u>	<u>9,633,559</u>
Total liabilities	<u>480,806</u>	<u>9,662,504</u>	<u>651,340</u>	<u>(651,340)</u>	<u>10,143,310</u>

(Continued)

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Financial Position
June 30, 2019

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Net Assets					
Without donor restrictions					
Undesignated	\$ 1,472,806	\$ (1,462,595)	\$ 6,072,660	\$ (1,267,228)	\$ 4,815,643
Board designated endowment	-	-	755,562	-	755,562
Total net assets without donor restrictions	1,472,806	(1,462,595)	6,828,222	(1,267,228)	5,571,205
With donor restrictions					
Purpose restrictions	458,660	-	-	-	458,660
Endowment	233,201	-	-	-	233,201
Total net assets with donor restrictions	691,861	-	-	-	691,861
Total net assets	2,164,667	(1,462,595)	6,828,222	(1,267,228)	6,263,066
	\$ 2,645,473	\$ 8,199,909	\$ 7,479,562	\$ (1,918,568)	\$ 16,406,376

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Financial Position
June 30, 2018 (As Restated)

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 363,477	\$ 7,366	\$ -	\$ -	\$ 370,843
Restricted cash	-	58,500	-	-	58,500
Government grants and contracts receivable	206,800	-	-	-	206,800
Contributions receivable	132,302	-	-	-	132,302
Intercompany receivable	651,340	-	-	(651,340)	-
Other receivables	23,416	-	-	-	23,416
Prepaid expenses and deposits	10,188	-	-	-	10,188
Total current assets	1,387,523	65,866	-	(651,340)	802,049
Property and equipment, net	370,621	8,365,121	-	(1,304,318)	7,431,424
Note receivable	-	-	6,724,000	-	6,724,000
Restricted cash	-	76,611	-	-	76,611
Investments	369,297	-	-	-	369,297
Endowment - investments	-	-	715,194	-	715,194
Beneficial interest in assets held by recipient organization	219,513	-	-	-	219,513
	<u>\$ 2,346,954</u>	<u>\$ 8,507,598</u>	<u>\$ 7,439,194</u>	<u>\$ (1,955,658)</u>	<u>\$ 16,338,088</u>
Liabilities and Net Assets					
Current liabilities					
Accounts payable	\$ 12,629	\$ 2,121	\$ -	\$ -	\$ 14,750
Accrued liabilities	242,097	-	-	-	242,097
Deferred revenue	48,554	-	-	-	48,554
Intercompany payable	-	-	651,340	(651,340)	-
Total current liabilities	303,280	2,121	651,340	(651,340)	305,401
Long-term debt	-	9,750,000	-	-	9,750,000
Unamortized debt issuance costs	(46,935)	(132,420)	-	-	(179,355)
Long-term debt, less unamortized debt issuance costs	(46,935)	9,617,580	-	-	9,570,645
Total liabilities	256,345	9,619,701	651,340	(651,340)	9,876,046

(Continued)

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Financial Position
June 30, 2018 (As Restated)

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Net Assets					
Without donor restrictions					
Undesignated	\$ 1,455,672	\$ (1,112,103)	\$ 6,072,660	\$ (1,304,318)	\$ 5,111,911
Board designated endowment	-	-	715,194	-	715,194
Total net assets without donor restrictions	<u>1,455,672</u>	<u>(1,112,103)</u>	<u>6,787,854</u>	<u>(1,304,318)</u>	<u>5,827,105</u>
With donor restrictions					
Purpose restrictions	415,424	-	-	-	415,424
Endowment	<u>219,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,513</u>
Total net assets with donor restrictions	<u>634,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,937</u>
Total net assets	<u>2,090,609</u>	<u>(1,112,103)</u>	<u>6,787,854</u>	<u>(1,304,318)</u>	<u>6,462,042</u>
	<u>\$ 2,346,954</u>	<u>\$ 8,507,598</u>	<u>\$ 7,439,194</u>	<u>\$ (1,955,658)</u>	<u>\$ 16,338,088</u>

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Activities
Year Ending June 30, 2019

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Net Assets Without Donor Restrictions					
Public support					
Private donations	\$ 124,673	\$ -	\$ -	\$ (96,347)	\$ 28,326
Public grants and contracts					
Charter School - federal funding	552,756	-	-	-	552,756
Charter School - state funding	2,447,669	-	-	-	2,447,669
State of Utah - DCFS	73,000	-	-	-	73,000
Salt Lake County - SSBG	40,000	-	-	-	40,000
Salt Lake City - CDBG	30,000	-	-	-	30,000
Adult Basic Education	195,327	-	-	-	195,327
Revenue					
Interest income	-	-	97,490	-	97,490
Net investment return	26,899	-	40,368	-	67,267
Development fee	30,000	-	-	(30,000)	-
Other	2,667	132,500	-	(132,500)	2,667
Special events revenue	164,538	-	-	-	164,538
Less costs of direct benefits to donors	(35,773)	-	-	-	(35,773)
	<u>3,651,756</u>	<u>132,500</u>	<u>137,858</u>	<u>(258,847)</u>	<u>3,663,267</u>
Net Assets Released from Restrictions					
Restrictions satisfied	1,111,781	-	-	-	1,111,781
Total public support and revenue without donor restrictions					
	<u>4,763,537</u>	<u>132,500</u>	<u>137,858</u>	<u>(258,847)</u>	<u>4,775,048</u>
Expenses					
Program services					
Guadalupe Charter School	3,154,660	255,033	-	(112,962)	3,296,731
Adult Education Program	498,640	46,971	-	(17,135)	528,476
Preschool Program	333,315	28,211	-	(12,296)	349,230
Toddler Beginnings	179,971	17,194	-	(7,753)	189,412
In-Home Program	271,433	22,912	-	(11,355)	282,990
Total program services	<u>4,438,019</u>	<u>370,321</u>	<u>-</u>	<u>(161,501)</u>	<u>4,646,839</u>
Supporting services					
Management and general	122,236	97,943	97,490	(128,229)	189,440
Fundraising	186,148	14,728	-	(6,207)	194,669
Total supporting services	<u>308,384</u>	<u>112,671</u>	<u>97,490</u>	<u>(134,436)</u>	<u>384,109</u>
Total expenses	<u>4,746,403</u>	<u>482,992</u>	<u>97,490</u>	<u>(295,937)</u>	<u>5,030,948</u>
Change in Net Assets Without Donor Restrictions					
	<u>17,134</u>	<u>(350,492)</u>	<u>40,368</u>	<u>37,090</u>	<u>(255,900)</u>

(Continued)

Guadalupe Center Educational Programs, Inc.
 Consolidating Statement of Activities
 Year Ending June 30, 2019

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
With Donor Restrictions					
Purpose Restrictions					
Public support					
Private donations	\$ 864,666	\$ -	\$ -	\$ -	\$ 864,666
United Way	290,351	-	-	-	290,351
Net Assets Released from Restrictions					
Restrictions satisfied	<u>(1,111,781)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,111,781)</u>
Change in Net Assets With Donor Restrictions from Operations	43,236	-	-	-	43,236
Change in Interest in Net Assets of Recipient Organization	<u>13,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,688</u>
Change in Net Assets With Donor Restrictions	<u>56,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,924</u>
Change in Net Assets	74,058	(350,492)	40,368	37,090	(198,976)
Net Assets, Beginning of Year, As Restated	<u>2,090,609</u>	<u>(1,112,103)</u>	<u>6,787,854</u>	<u>(1,304,318)</u>	<u>6,462,042</u>
Net Assets, End of Year	<u><u>\$2,164,667</u></u>	<u><u>\$ (1,462,595)</u></u>	<u><u>\$ 6,828,222</u></u>	<u><u>\$ (1,267,228)</u></u>	<u><u>\$ 6,263,066</u></u>

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Activities
Year Ending June 30, 2018 (As Restated)

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Net Assets Without Donor Restrictions					
Public support					
Private donations	\$ 434,441	\$ -	\$ -	\$ (95,631)	\$ 338,810
United Way	59,230	-	-	-	59,230
Public grants and contracts					
Charter School - federal funding	498,123	-	-	-	498,123
Charter School - state funding	2,241,270	-	-	-	2,241,270
State of Utah - DCFS	73,000	-	-	-	73,000
Salt Lake County - SSBG	40,000	-	-	-	40,000
Salt Lake City - CDBG	30,000	-	-	-	30,000
Adult Basic Education	195,327	-	-	-	195,327
Revenue					
Interest income	-	-	97,490	-	97,490
Net investment return	15,041	-	41,419	-	56,460
Development fee	30,000	-	-	(30,000)	-
Other	22,443	132,500	-	(132,500)	22,443
Special events revenue	154,522	-	-	-	154,522
Less costs of direct benefits to donors	(31,182)	-	-	-	(31,182)
	<u>3,762,215</u>	<u>132,500</u>	<u>138,909</u>	<u>(258,131)</u>	<u>3,775,493</u>
Net Assets Released from Restrictions					
Restrictions satisfied	859,096	-	-	-	859,096
Total public support and revenue without donor restrictions					
	<u>4,621,311</u>	<u>132,500</u>	<u>138,909</u>	<u>(258,131)</u>	<u>4,634,589</u>
Expenses					
Program services					
Guadalupe Charter School	3,070,505	252,092	-	(112,683)	3,209,914
Adult Education Program	471,469	44,536	-	(16,904)	499,101
Preschool Program	370,266	30,963	-	(12,557)	388,672
Toddler Beginnings	186,946	17,287	-	(7,761)	196,472
In-Home Program	282,690	25,175	-	(11,570)	296,295
Total program services	<u>4,381,876</u>	<u>370,053</u>	<u>-</u>	<u>(161,475)</u>	<u>4,590,454</u>
Supporting services					
Management and general	102,178	97,086	97,491	(127,554)	169,201
Fundraising	170,846	14,572	-	(6,192)	179,226
Total supporting services	<u>273,024</u>	<u>111,658</u>	<u>97,491</u>	<u>(133,746)</u>	<u>348,427</u>
Total expenses	<u>4,654,900</u>	<u>481,711</u>	<u>97,491</u>	<u>(295,221)</u>	<u>4,938,881</u>
Change in Net Assets Without Donor Restrictions					
	<u>(33,589)</u>	<u>(349,211)</u>	<u>41,418</u>	<u>37,090</u>	<u>(304,292)</u>

(Continued)

Guadalupe Center Educational Programs, Inc.
Consolidating Statement of Activities
Year Ending June 30, 2018 (As Restated)

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
With Donor Restrictions					
Purpose Restrictions					
Public support					
Private donations	\$ 479,500	\$ -	\$ -	\$ -	\$ 479,500
United Way	237,125	-	-	-	237,125
Net Assets Released from Restrictions					
Restrictions satisfied	(859,096)	-	-	-	(859,096)
Change in Net Assets With Donor Restrictions from Operations	(142,471)	-	-	-	(142,471)
Change in Interest in Net Assets of Recipient Organization	11,378	-	-	-	11,378
Change in Net Assets With Donor Restrictions	(131,093)	-	-	-	(131,093)
Change in Net Assets	(164,682)	(349,211)	41,418	37,090	(435,385)
Net Assets, Beginning of Year	2,255,291	(762,892)	6,746,436	(1,341,408)	6,897,427
Net Assets, End of Year	<u>\$2,090,609</u>	<u>\$ (1,112,103)</u>	<u>\$6,787,854</u>	<u>\$ (1,304,318)</u>	<u>\$6,462,042</u>