



Consolidated Financial Statements  
June 30, 2020 and 2019

**Guadalupe Center Educational  
Programs, Inc.**

Guadalupe Center Educational Programs, Inc.

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June 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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.

**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 27-34 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.

The image shows a handwritten signature in cursive script that reads "Erik Sully LLP".

Salt Lake City, Utah  
January 7, 2021

Guadalupe Center Educational Programs, Inc.  
Consolidated Statements of Financial Position  
June 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,340,434	\$ 736,728
Restricted cash	18,111	58,500
Government grants and contracts receivable	382,685	241,535
Contributions receivable	2,689	123,748
Other receivables	5,801	4,585
Prepaid expenses and deposits	12,118	15,309
Total current assets	1,761,838	1,180,405
Property and equipment, net	6,842,721	7,098,901
Note receivable	6,724,000	6,724,000
Restricted cash	-	18,111
Investments	540,110	396,196
Endowment - investments	788,471	755,562
Beneficial interest in assets held by recipient organization	230,457	233,201
	\$ 16,887,597	\$ 16,406,376
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 36,673	\$ 19,049
Accrued liabilities	383,396	287,550
Deferred revenue	214,600	203,152
Note payable - Paycheck Protection Program	400,000	-
Total current liabilities	1,034,669	509,751
Long-term debt, less unamortized debt issuance costs of \$53,528 in 2020 and \$116,441 in 2019	9,696,472	9,633,559
Total liabilities	10,731,141	10,143,310
<b>Net assets</b>		
Without donor restrictions		
Undesignated	4,902,430	4,815,643
Board designated endowment	788,471	755,562
Total net assets without donor restrictions	5,690,901	5,571,205
With donor restrictions		
Purpose restrictions	235,098	458,660
Endowment	230,457	233,201
Total net assets with donor restrictions	465,555	691,861
Total net assets	6,156,456	6,263,066
	\$ 16,887,597	\$ 16,406,376

Guadalupe Center Educational Programs, Inc.  
Consolidated Statements of Activities  
Years Ended June 30, 2020 and 2019

	2020	2019
Net Assets Without Donor Restrictions		
Public support		
Private donations	\$ 370,356	\$ 28,326
Other	3,680	-
Revenue		
Interest income	96,783	97,490
Net investment return	65,279	67,267
Other	4,236	2,667
Special events revenue	118,599	164,538
Less costs of direct benefits to donors	(15,685)	(35,773)
	643,248	324,515
Net Assets Released from Restrictions		
Restrictions satisfied	4,981,905	4,450,533
Total public support and revenue without donor restrictions	5,625,153	4,775,048
Expenses		
Program services		
Guadalupe Charter School	3,558,454	3,296,731
Adult Education Program	547,438	528,476
Preschool Program	577,878	349,230
Toddler Beginnings	189,602	189,412
In-Home Program	264,997	282,990
Total program services	5,138,369	4,646,839
Supporting services		
Management and general	164,944	189,440
Fundraising	202,144	194,669
Total supporting services	367,088	384,109
Total expenses	5,505,457	5,030,948
Change in Net Assets Without Donor Restrictions	119,696	(255,900)

(Continued)

Guadalupe Center Educational Programs, Inc.  
 Consolidated Statements of Activities  
 Years Ended June 30, 2020 and 2019

	2020	2019
With Donor Restrictions - Purpose Restrictions		
Public support		
Private donations	\$ 687,895	\$ 864,666
United Way	-	290,351
Public grants and contracts		
Charter School - federal funding	577,348	552,756
Charter School - state funding	2,748,915	2,447,669
Other government funding	737,306	338,327
Net Assets Released from Restrictions		
Restrictions satisfied	(4,981,905)	(4,450,533)
Change in Net Assets With Donor Restrictions from Operations	(230,441)	43,236
Change in Interest in Net Assets of Recipient Organization	4,135	13,688
Change in Net Assets With Donor Restrictions	(226,306)	56,924
Change in Net Assets	(106,610)	(198,976)
Net Assets, Beginning of Year	6,263,066	6,462,042
Net Assets, End of Year	\$ 6,156,456	\$ 6,263,066

Guadalupe Center Educational Programs, Inc.  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2020

	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	\$ 2,017,570	\$ 364,876	\$ 362,506	\$ 116,664	\$ 161,639	\$ 3,023,255	\$ 36,706	\$ 115,378	\$ 152,084	\$ 3,175,339
Benefits	430,354	62,199	81,725	20,979	39,413	634,670	32,696	32,400	65,096	699,766
Professional and technical services	270,109	6,928	12,920	17,702	4,729	312,388	2,492	3,206	5,698	318,086
Purchased property services (repairs and maintenance)	109,936	18,306	17,852	8,642	12,965	167,701	1,832	6,801	8,633	176,334
Other purchased services	21,747	1,931	4,118	922	3,713	32,431	7,353	4,266	11,619	44,050
Supplies	400,875	15,717	30,628	2,639	3,659	453,518	6,848	10,098	16,946	470,464
Depreciation	194,223	46,065	48,475	15,437	27,072	331,272	7,841	21,617	29,458	360,730
Interest	101,924	18,433	18,313	5,894	8,166	152,730	1,854	5,829	7,683	160,413
Asset management fee	-	-	-	-	-	-	50,000	-	50,000	50,000
Other	11,716	12,983	1,341	723	3,641	30,404	17,322	2,549	19,871	50,275
Special events	-	-	-	-	-	-	-	15,685	15,685	15,685
<b>Total expenses</b>	<b>3,558,454</b>	<b>547,438</b>	<b>577,878</b>	<b>189,602</b>	<b>264,997</b>	<b>5,138,369</b>	<b>164,944</b>	<b>217,829</b>	<b>382,773</b>	<b>5,521,142</b>
Less expenses included as revenue on the consolidated statement of activities - costs of direct benefits to donors	-	-	-	-	-	-	-	(15,685)	(15,685)	(15,685)
	<u>\$ 3,558,454</u>	<u>\$ 547,438</u>	<u>\$ 577,878</u>	<u>\$ 189,602</u>	<u>\$ 264,997</u>	<u>\$ 5,138,369</u>	<u>\$ 164,944</u>	<u>\$ 202,144</u>	<u>\$ 367,088</u>	<u>\$ 5,505,457</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
<b>Total expenses</b>	<b>3,296,731</b>	<b>528,476</b>	<b>349,230</b>	<b>189,412</b>	<b>282,990</b>	<b>4,646,839</b>	<b>189,440</b>	<b>230,442</b>	<b>419,882</b>	<b>5,066,721</b>
Less expenses included as revenue on the consolidated 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 Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ (106,610)	\$ (198,976)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	360,730	405,975
Interest expense attributable to amortization of debt issuance costs	62,913	62,914
Change in interest in net assets of recipient organization	(4,135)	(13,688)
Net investment return	(65,279)	(67,267)
Changes in operating assets and liabilities		
Government grants and contracts receivable	(141,150)	(34,735)
Contributions receivable	121,059	8,387
Other receivables	(1,216)	18,998
Prepaid expenses and deposits	3,191	(5,121)
Accounts payable and accrued liabilities	113,470	49,752
Deferred revenue	11,448	154,598
Net Cash from Operating Activities	354,421	380,837
Investing Activities		
Purchases of property and equipment	(104,550)	(73,452)
Proceeds from interest in net assets of recipient organization	6,979	-
Purchases of investments	(112,251)	-
Sale of endowment investments	707	-
Contribution to net assets of recipient organization	(100)	-
Net Cash used for Investing Activities	(209,215)	(73,452)
Financing Activities		
Proceeds from note payable - paycheck protection program	400,000	-
Net Cash from Financing Activities	400,000	-
Net Change in Cash, Cash Equivalents, and Restricted Cash	545,206	307,385
Cash, Cash Equivalents, and Restricted Cash Beginning of Year	813,339	505,954
Cash, Cash Equivalents, and Restricted Cash End of Year	\$ 1,358,545	\$ 813,339

Guadalupe Center Educational Programs, Inc.  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 1,340,434	\$ 736,728
Restricted Cash	<u>18,111</u>	<u>76,611</u>
	<u>\$ 1,358,545</u>	<u>\$ 813,339</u>
 <u>Supplemental Cash Flow Information</u>		
Interest paid	<u>\$ 97,500</u>	<u>\$ 97,500</u>

**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 (the Board) 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, 2020 and 2019, 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, 2020 and 2019, the allowance was \$0 and all amounts are expected to be collected within one year.

**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, 2020 and 2019.

**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 net assets with restrictions 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. 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, 2020 and 2019, respectively.

**Revenue and Revenue Recognition**

GEP recognizes contributions when cash, securities or other assets; and unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Consequently, at June 30, 2020, contributions approximating \$132,500 have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met. Of the total conditional contributions, \$132,500 depend on the donor ultimate ability to raise expected funds.

A portion of GEP's revenue is derived from cost-reimbursable federal and state contracts and grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the consolidated statement of financial position. GEP received cost-reimbursable grants of \$109,495 that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred, with an advance payment of \$214,600 recognized in the consolidated statement of financial as deferred revenue.

**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 their exempt purposes. 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.

## Recently Adopted Accounting Pronouncements

### **Adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-18**

As of July 1, 2019, GEP adopted the provisions of ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, by including amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of period total amounts shown on the statement of cash flows. Retrospective application of the amendment is required. GEP has adopted this standard as management believes this presentation eliminates a diversity in practice in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The June 30, 2019 consolidated statement of cash flows has been revised to be consistent with the new standard.



**Adoption of FASB Accounting Standards Update 2018-08**

GEP has implemented ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists the entity in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. GEP has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying consolidated financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

**Subsequent Events**

Management has evaluated subsequent events through January 7, 2021, the date the consolidated financial statements were available to be issued.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets or changes in net assets

**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 consolidated statement of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 1,123,447	\$ 736,728
Contributions receivable	2,689	11,415
Government grants and contracts receivable	382,685	241,535
Other receivables	5,801	4,418
	<u>\$ 1,514,622</u>	<u>\$ 994,096</u>

Additionally, GEP has endowment funds that consist of funds designated by the Board that totaled \$788,471 and \$755,562, as of June 30, 2020 and June 30, 2019, respectively. GEP also has investment funds that totaled \$540,110 and \$396,196, as of June 30, 2020 and June 30, 2019, respectively. 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 8), 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, 2020, all of this cash is considered current. At June 30, 2019, \$58,500 of this cash is considered current and \$18,111 is considered noncurrent.

**Note 5 - Government Grants and Contracts Receivable**

Government grants and contracts receivable totaling \$382,685 and \$241,535 at June 30, 2020 and 2019, 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, 2020 and 2019:

	2020	2019
United Way	\$ -	\$ 112,500
Other organizations	2,689	11,248
	\$ 2,689	\$ 123,748

**Note 7 - Property and Equipment**

Property and equipment consists of the following at June 30, 2020 and 2019:

	2020	2019
Land	\$ 425,435	\$ 425,435
Building	6,929,171	6,929,171
Furniture and equipment	1,416,363	1,338,851
Vehicles	480,333	488,270
	9,251,302	9,181,727
Less accumulated depreciation	(2,408,581)	(2,082,826)
	\$ 6,842,721	\$ 7,098,901

**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>	<u>Amount</u>
2021	\$ 79,768
2022	161,278
2023	163,629
2024	166,014
2025	168,434
Thereafter	<u>5,984,877</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, 2020 and 2019, Endowment net assets totaled \$788,471 and \$755,562, 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, 2020 and 2019

Changes in Endowment net assets for the years ended June 30, 2020 and 2019, are as follows:

	2020	2019
Endowment net assets, beginning of year	\$ 755,562	\$ 715,194
Purchase (sale) of investments	(707)	-
Investment return		
Interest and dividends, net of fees	19,516	23,758
Net realized and unrealized gain	14,100	16,610
	\$ 788,471	\$ 755,562

**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, 2020 and 2019. 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, 2020 and 2019, GEP has recorded \$230,457 and \$233,201, respectively, as its interest in the net assets of CFU relating to this Endowment. During the years ended June 30, 2020 and 2019, GEP recorded a gain of \$4,135 and \$13,688, respectively, as change in interest in the net assets of CFU and received a distribution of interest in net assets of CFU of \$0 for each year.

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, 2020 and 2019, is reflected in the following table:

	2020	2019
Interest in the net assets of recipient organization, beginning of year	\$ 233,201	\$ 219,513
Contribution	100	-
Investment returns (net of expenses)		
Net realized and unrealized gains and losses	4,135	13,688
Withdrawals/amounts appropriated for operations	(6,979)	-
	230,457	233,201
Allocated to net assets subject to endowment spending policy appropriation	(65,357)	(68,201)
	\$ 165,100	\$ 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, 2020 and 2019, \$0 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 3 measurements.

Guadalupe Center Educational Programs, Inc.

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

The following table presents assets measured at fair value on a recurring basis at June 30, 2020:

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	\$ -	\$ -	\$ 230,457	\$ 230,457
Investments				
Cash and money market funds	\$ 21,736	\$ -	\$ -	\$ 21,736
Fixed income mutual funds	268,284	-	-	268,284
U.S. equity mutual funds	132,253	-	-	132,253
Equity securities	117,837	-	-	117,837
	\$ 540,110	\$ -	\$ -	\$ 540,110
Endowment investments				
Cash and money market funds	\$ 3,037	\$ -	\$ -	\$ 3,037
Fixed income mutual funds	283,580	-	-	283,580
U.S. equity mutual funds	302,373	-	-	302,373
International equity mutual funds	170,013	-	-	170,013
Asset allocation mutual funds	29,468	-	-	29,468
	\$ 788,471	\$ -	\$ -	\$ 788,471

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2020:

	Beneficial Interest in Assets Held by Recipient Organization
Balance at June 30, 2019	\$ 233,201
Purchases/contributions of investments	100
Investment return, net	4,135
Distributions	(6,979)
Balance at June 30, 2020	\$ 230,457

Guadalupe Center Educational Programs, Inc.

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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

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	\$ -	\$ -	\$ 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
	\$ 396,196	\$ -	\$ -	\$ 396,196
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
	\$ 755,562	\$ -	\$ -	\$ 755,562

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2019:

	Beneficial Interest in Assets Held by Recipient Organization
Balance at June 30, 2018	\$ 219,513
Investment return, net	13,688
Balance at June 30, 2019	\$ 233,201



**Note 12 - Net Investment Return**

Net investment return consists of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Operating investments		
Interest and dividends	\$ 9,756	\$ 9,160
Net realized and unrealized gain	21,907	17,739
	31,663	26,899
Endowment investments		
Interest and dividends	22,547	26,601
Net realized and unrealized gain	14,100	16,610
Less custodial fees	(3,031)	(2,843)
	33,616	40,368
	\$ 65,279	\$ 67,267

**Note 13 - Note Payable – Paycheck Protection Program**

During April 2020, GEP applied for and was granted a \$400,000 loan under the Paycheck Protection Program administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan accrues interest at a rate of 1%, but payments are not required to begin for six months after the funding of the loan. GEP is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. While GEP intends to take measures to maximize the loan forgiveness, it cannot reasonably determine the portion of the loan that will ultimately be forgiven. However, GEP expects that based on the available guidance of the SBA, GEP has complied with the program's terms to qualify for full loan forgiveness.

**Note 14 - Long-Term Debt**

Long-term debt consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
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 \$53,528 in 2020 and \$116,441 in 2019, based on an effective interest rate of 1.22%.	\$ 9,696,472	\$ 9,633,559
Total long-term debt	<u>\$ 9,696,472</u>	<u>\$ 9,633,559</u>

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	125,030
2022	251,940
2023	254,469
2024	257,023
2025	259,603
Thereafter	8,601,935
Unamortized debt issuance costs, net	<u>(53,528)</u>
	<u>\$ 9,696,472</u>

**Note 15 - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following at June 30, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose		
Capital campaign	\$ 97,565	\$ 128,594
Restricted cash - CDE fees	18,111	76,611
Early Learning Center	98,262	58,066
Adult Education	9,000	120,342
Guadalupe Charter School	12,160	75,047
	235,098	458,660
Endowment		
Perpetual in nature, not subject to spending policy or appropriation	165,100	165,000
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation (Note 10)	65,357	68,201
	230,457	233,201
	\$ 465,555	\$ 691,861

**Note 16 - 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, 2020 and 2019, GEP contributed \$63,974 and \$40,987, respectively, to the Plan.



Supplementary Information  
June 30, 2020 and 2019

**Guadalupe Center Educational  
Programs, Inc.**

Guadalupe Center Educational Programs, Inc.  
Consolidating Statement of Financial Position  
June 30, 2020

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 1,330,885	\$ 9,549	\$ -	\$ -	\$ 1,340,434
Restricted cash	-	18,111	-	-	18,111
Government grants and contracts receivable	382,685	-	-	-	382,685
Contributions receivable	2,689	-	-	-	2,689
Intercompany receivable	651,340	-	-	(651,340)	-
Other receivables	5,801	-	-	-	5,801
Prepaid expenses and deposits	12,118	-	-	-	12,118
<b>Total current assets</b>	<b>2,385,518</b>	<b>27,660</b>	<b>-</b>	<b>(651,340)</b>	<b>1,761,838</b>
Property and equipment, net	206,620	7,866,239	-	(1,230,138)	6,842,721
Note receivable	-	-	6,724,000	-	6,724,000
Restricted cash	-	-	-	-	-
Investments	540,110	-	-	-	540,110
Endowment - investments	-	-	788,471	-	788,471
Beneficial interest in assets held by recipient organization	230,457	-	-	-	230,457
	<u>\$ 3,362,705</u>	<u>\$ 7,893,899</u>	<u>\$ 7,512,471</u>	<u>\$ (1,881,478)</u>	<u>\$ 16,887,597</u>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 35,888	\$ 785	\$ -	\$ -	\$ 36,673
Accrued liabilities	383,396	-	-	-	383,396
Deferred revenue	214,600	-	-	-	214,600
Intercompany payable	-	-	651,340	(651,340)	-
Payment Protection Program	400,000	-	-	-	400,000
<b>Total current liabilities</b>	<b>1,033,884</b>	<b>785</b>	<b>651,340</b>	<b>(651,340)</b>	<b>1,034,669</b>
Long-term debt	-	9,750,000	-	-	9,750,000
Unamortized debt issuance costs	(9,386)	(44,142)	-	-	(53,528)
<b>Long-term debt, less unamortized debt issuance costs</b>	<u>(9,386)</u>	<u>9,705,858</u>	<u>-</u>	<u>-</u>	<u>9,696,472</u>
<b>Total liabilities</b>	<u><b>1,024,498</b></u>	<u><b>9,706,643</b></u>	<u><b>651,340</b></u>	<u><b>(651,340)</b></u>	<u><b>10,731,141</b></u>

(Continued)

Guadalupe Center Educational Programs, Inc.  
Consolidating Statement of Financial Position  
June 30, 2020

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
Net Assets					
Without donor restrictions					
Undesignated	\$ 1,872,652	\$ (1,812,744)	\$ 6,072,660	\$ (1,230,138)	\$ 4,902,430
Board designated endowment	-	-	788,471	-	788,471
Total net assets without donor restrictions	<u>1,872,652</u>	<u>(1,812,744)</u>	<u>6,861,131</u>	<u>(1,230,138)</u>	<u>5,690,901</u>
With donor restrictions					
Purpose restrictions	235,098	-	-	-	235,098
Endowment	<u>230,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,457</u>
Total net assets with donor restrictions	<u>465,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,555</u>
Total net assets	<u>2,338,207</u>	<u>(1,812,744)</u>	<u>6,861,131</u>	<u>(1,230,138)</u>	<u>6,156,456</u>
	<u>\$ 3,362,705</u>	<u>\$ 7,893,899</u>	<u>\$ 7,512,471</u>	<u>\$ (1,881,478)</u>	<u>\$ 16,887,597</u>

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

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
<b>Assets</b>					
<b>Current assets</b>					
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	123,748	-	-	-	123,748
Intercompany receivable	651,340	-	-	(651,340)	-
Other receivables	4,585	-	-	-	4,585
Prepaid expenses and deposits	15,309	-	-	-	15,309
<b>Total current assets</b>	<b>1,765,627</b>	<b>66,118</b>	<b>-</b>	<b>(651,340)</b>	<b>1,180,405</b>
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>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities</b>					
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)	-
<b>Total current liabilities</b>	<b>508,966</b>	<b>785</b>	<b>651,340</b>	<b>(651,340)</b>	<b>509,751</b>
Long-term debt	-	9,750,000	-	-	9,750,000
Unamortized debt issuance costs	(28,160)	(88,281)	-	-	(116,441)
<b>Long-term debt, less unamortized debt issuance costs</b>	<b>(28,160)</b>	<b>9,661,719</b>	<b>-</b>	<b>-</b>	<b>9,633,559</b>
<b>Total liabilities</b>	<b>480,806</b>	<b>9,662,504</b>	<b>651,340</b>	<b>(651,340)</b>	<b>10,143,310</b>

(Continued)

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

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



Guadalupe Center Educational Programs, Inc.  
 Consolidating Statement of Activities  
 Year Ending June 30, 2020

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
<b>Net Assets Without Donor Restrictions</b>					
Public support					
Private donations	\$ 465,830	\$ -	\$ -	\$ (95,474)	\$ 370,356
Other	3,680	-	-	-	3,680
Revenue					
Interest income	-	-	96,783	-	96,783
Net investment return	31,663	-	33,616	-	65,279
Development fee	30,000	-	-	(30,000)	-
Other	4,236	132,500	-	(132,500)	4,236
Special events revenue	118,599	-	-	-	118,599
Less costs of direct benefits to donors	(15,685)	-	-	-	(15,685)
	<u>638,323</u>	<u>132,500</u>	<u>130,399</u>	<u>(257,974)</u>	<u>643,248</u>
<b>Net Assets Released from Restrictions</b>					
Restrictions satisfied	4,981,905	-	-	-	4,981,905
<b>Total public support and revenue without donor restrictions</b>					
	<u>5,620,228</u>	<u>132,500</u>	<u>130,399</u>	<u>(257,974)</u>	<u>5,625,153</u>
<b>Expenses</b>					
Program services					
Guadalupe Charter School	3,422,309	248,486	-	(112,341)	3,558,454
Adult Education Program	519,441	44,939	-	(16,942)	547,438
Preschool Program	547,085	44,647	-	(13,854)	577,878
Toddler Beginnings	182,718	14,369	-	(7,485)	189,602
In-Home Program	256,159	19,908	-	(11,070)	264,997
Total program services	<u>4,927,712</u>	<u>372,349</u>	<u>-</u>	<u>(161,692)</u>	<u>5,138,369</u>
Supporting services					
Management and general	98,579	96,089	97,490	(127,214)	164,944
Fundraising	194,091	14,211	-	(6,158)	202,144
Total supporting services	<u>292,670</u>	<u>110,300</u>	<u>97,490</u>	<u>(133,372)</u>	<u>367,088</u>
Total expenses	<u>5,220,382</u>	<u>482,649</u>	<u>97,490</u>	<u>(295,064)</u>	<u>5,505,457</u>
<b>Change in Net Assets Without Donor Restrictions</b>					
	<u>399,846</u>	<u>(350,149)</u>	<u>32,909</u>	<u>37,090</u>	<u>119,696</u>

(Continued)

Guadalupe Center Educational Programs, Inc.  
Consolidating Statement of Activities  
Year Ending June 30, 2020

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
With Donor Restrictions					
Purpose Restrictions					
Public support					
Private donations	\$ 687,895	\$ -	\$ -	\$ -	\$ 687,895
Public grants and contracts					
Charter School - federal funding	577,348	-	-	-	577,348
Charter School - state funding	2,748,915	-	-	-	2,748,915
Other government funding	737,306	-	-	-	737,306
Net Assets Released from Restrictions					
Restrictions satisfied	(4,981,905)	-	-	-	(4,981,905)
Change in Net Assets With Donor Restrictions from Operations	(230,441)	-	-	-	(230,441)
Change in Interest in Net Assets of Recipient Organization	4,135	-	-	-	4,135
Change in Net Assets With Donor Restrictions	(226,306)	-	-	-	(226,306)
Change in Net Assets	173,540	(350,149)	32,909	37,090	(106,610)
Net Assets, Beginning of Year,	2,164,667	(1,462,595)	6,828,222	(1,267,228)	6,263,066
Net Assets, End of Year	<u>\$2,338,207</u>	<u>\$ (1,812,744)</u>	<u>\$ 6,861,131</u>	<u>\$ (1,230,138)</u>	<u>\$ 6,156,456</u>

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

	GEP	Guadalupe Holding Co.	Friends of Guadalupe	Eliminations	Total
<b>Net Assets Without Donor Restrictions</b>					
Public support					
Private donations	\$ 124,673	\$ -	\$ -	\$ (96,347)	\$ 28,326
Public grants and contracts					
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>313,004</u>	<u>132,500</u>	<u>137,858</u>	<u>(258,847)</u>	<u>324,515</u>
<b>Net Assets Released from Restrictions</b>					
Restrictions satisfied	<u>4,450,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,450,533</u>
<b>Total public support and revenue without donor restrictions</b>					
	<u>4,763,537</u>	<u>132,500</u>	<u>137,858</u>	<u>(258,847)</u>	<u>4,775,048</u>
<b>Expenses</b>					
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>
<b>Change in Net Assets Without Donor Restrictions</b>					
	<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
Public grants and contracts					
Charter School - federal funding	552,756	-	-	-	552,756
Charter School - state funding	2,447,669	-	-	-	2,447,669
Other government funding	338,327	-	-	-	338,327
Net Assets Released from Restrictions					
Restrictions satisfied	(4,450,533)	-	-	-	(4,450,533)
Change in Net Assets With Donor Restrictions from Operations	43,236	-	-	-	43,236
Change in Interest in Net Assets of Recipient Organization	13,688	-	-	-	13,688
Change in Net Assets With Donor Restrictions	56,924	-	-	-	56,924
Change in Net Assets	74,058	(350,492)	40,368	37,090	(198,976)
Net Assets, Beginning of Year	2,090,609	(1,112,103)	6,787,854	(1,304,318)	6,462,042
Net Assets, End of Year	<u>\$2,164,667</u>	<u>\$ (1,462,595)</u>	<u>\$6,828,222</u>	<u>\$ (1,267,228)</u>	<u>\$6,263,066</u>