

**GUADALUPE CENTERS, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

## GUADALUPE CENTERS, INC.

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Guadalupe Centers, Inc.  
Kansas City, Missouri

**Report on the Audit of the Financial Statements****Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Guadalupe Centers, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 19 through 22, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Westbrook & Co., P.C.*

Richmond, Missouri  
November 17, 2022

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

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**ASSETS**

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 10,954,663	\$ 4,954,185
Grants receivable, net	2,425,060	1,451,178
Promises receivable, net	834,062	721,514
Accounts receivable, net	71,085	19,255
Prepaid insurance	72,345	61,164
Investments	1,895,611	1,651,394
Property and equipment, net	21,895,852	22,975,780
Collection items, donated artwork	<u>182,500</u>	<u>182,500</u>
 TOTAL ASSETS	 <u>\$ 38,331,178</u>	 <u>\$ 32,016,970</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts payable	\$ 840,495	\$ 247,118
Accrued expenses and payroll withholdings	139,933	143,083
Accrued interest	34,462	39,704
Deferred revenue	27,333	54,667
SBA paycheck protection program loans	815,870	2,818,300
Capital lease payable	-	129,694
Notes payable, net	<u>10,206,516</u>	<u>11,125,453</u>
 TOTAL LIABILITIES	 <u>12,064,609</u>	 <u>14,558,019</u>

**NET ASSETS:**

Without donor restrictions	24,377,082	15,822,291
With donor restrictions	<u>1,889,487</u>	<u>1,636,660</u>
 TOTAL NET ASSETS	 <u>26,266,569</u>	 <u>17,458,951</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 38,331,178</u>	 <u>\$ 32,016,970</u>

See accompanying notes.

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions	
<b>SUPPORT AND REVENUE:</b>						
Federal government grants/contracts	\$ 6,536,073	\$ -	\$ 6,536,073	\$ 3,475,926	\$ -	\$ 3,475,926
Other government grants/contracts	22,088,351	-	22,088,351	19,304,924	-	19,304,924
Contributions and non-government grants	650,580	1,171,000	1,821,580	1,459,627	441,150	1,900,777
United Way	136,101	-	136,101	186,481	-	186,481
Program services and other fees	2,407,119	-	2,407,119	2,419,573	-	2,419,573
Special events	107,343	-	107,343	98,870	-	98,870
Rent revenue	3,297,262	-	3,297,262	2,917,978	-	2,917,978
Net investment income, Note D	232,469	-	232,469	196,159	-	196,159
Other revenue	1,089,098	-	1,089,098	2,407,383	-	2,407,383
Total support and revenue	<u>36,544,396</u>	<u>1,171,000</u>	<u>37,715,396</u>	<u>32,466,921</u>	<u>441,150</u>	<u>32,908,071</u>
Net assets released from restrictions	<u>918,173</u>	<u>(918,173)</u>	<u>-</u>	<u>1,076,545</u>	<u>(1,076,545)</u>	<u>-</u>
Total support, revenue and reclassifications	<u>37,462,569</u>	<u>252,827</u>	<u>37,715,396</u>	<u>33,543,466</u>	<u>(635,395)</u>	<u>32,908,071</u>
<b>EXPENSES:</b>						
Program services:						
Community Center	6,787,444	-	6,787,444	6,435,606	-	6,435,606
Alta Vista Charter School	22,229,507	-	22,229,507	20,200,089	-	20,200,089
Management and general	2,370,188	-	2,370,188	2,419,342	-	2,419,342
Fundraising	338,939	-	338,939	259,408	-	259,408
Total expenses	<u>31,726,078</u>	<u>-</u>	<u>31,726,078</u>	<u>29,314,445</u>	<u>-</u>	<u>29,314,445</u>
Change in net assets before loan forgiveness	5,736,491	252,827	5,989,318	4,229,021	(635,395)	3,593,626
Forgiveness of Payroll Protection Program loan	<u>2,818,300</u>	<u>-</u>	<u>2,818,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	8,554,791	252,827	8,807,618	4,229,021	(635,395)	3,593,626
Net assets, January 1	<u>15,822,291</u>	<u>1,636,660</u>	<u>17,458,951</u>	<u>11,593,270</u>	<u>2,272,055</u>	<u>13,865,325</u>
Net assets, December 31	<u>\$ 24,377,082</u>	<u>\$ 1,889,487</u>	<u>\$ 26,266,569</u>	<u>\$ 15,822,291</u>	<u>\$ 1,636,660</u>	<u>\$ 17,458,951</u>

See accompanying notes.

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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	Program Services				
	Alta Vista				
	Community Center	Charter School	Management and General	Fundraising	Total
Salaries	\$ 2,794,068	\$ 9,675,019	\$ 458,524	\$ 167,584	\$ 13,095,195
Payroll taxes and benefits	551,275	2,808,312	124,321	23,475	3,507,383
Assistance to individuals	593,427	-	500	-	593,927
Building and equipment maintenance	151,003	903,660	108,567	630	1,163,860
Conferences, meetings and travel	12,212	12,659	3,545	87	28,503
Contract and professional fees	323,066	1,565,560	261,381	110,401	2,260,408
Depreciation	787,166	392,504	-	-	1,179,670
Student transportation	-	803,728	-	-	803,728
Food supplies	483,133	388,740	-	-	871,873
Office supplies	31,748	-	16,804	816	49,368
Other supplies	127,087	601,475	6,184	1,630	736,376
Insurance	-	150,392	89,675	-	240,067
Interest	585,430	1,513	-	-	586,943
Utilities	147,877	371,308	92,615	-	611,800
Printing and publications	6,837	1,503	4,064	370	12,774
Textbooks and educational materials	29,826	780,761	-	-	810,587
Telephone and communications	42,325	-	16,728	1,357	60,410
Rent expense	110,628	3,384,061	1,173,464	-	4,668,153
Postage and shipping	170	-	1,186	-	1,356
Special event expense	1,559	-	-	32,589	34,148
Other	8,607	388,312	12,630	-	409,549
 Total expenses	 \$ 6,787,444	 \$ 22,229,507	 \$ 2,370,188	 \$ 338,939	 \$ 31,726,078

See accompanying notes.

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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	<u>Program Services</u>				
	<u>Alta Vista</u>				
	<u>Community</u>	<u>Charter</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Center</u>	<u>School</u>	<u>and General</u>	<u></u>	<u></u>
Salaries	\$ 2,747,055	\$ 9,306,306	\$ 659,860	\$ 109,782	\$ 12,823,003
Payroll taxes and benefits	487,279	2,703,649	169,272	14,340	3,374,540
Assistance to individuals	248,744	-	-	-	248,744
Building and equipment maintenance	158,296	947,780	249,972	-	1,356,048
Conferences, meetings and travel	12,472	9,416	2,934	35	24,857
Contract and professional fees	87,192	1,751,667	160,204	120,200	2,119,263
Depreciation	807,454	398,620	-	-	1,206,074
Student transportation	-	305,368	-	-	305,368
Food supplies	608,398	44,323	-	1,604	654,325
Office supplies	53,561	-	6,604	179	60,344
Other supplies	79,866	410,980	6,935	436	498,217
Insurance	4,519	137,596	81,166	-	223,281
Interest	815,677	133,368	-	-	949,045
Utilities	128,151	333,521	77,945	-	539,617
Program and support services	250	-	-	-	250
Printing and publications	3,535	1,405	6,706	-	11,646
Textbooks and educational materials	49,157	338,851	-	-	388,008
Telephone and communications	40,974	-	10,611	1,848	53,433
Rent expense	99,384	2,980,842	945,654	-	4,025,880
Postage and shipping	161	-	713	-	874
Special event expense	1,287	-	-	10,984	12,271
Other	2,194	396,397	40,766	-	439,357
<b>Total expenses</b>	<b><u>\$ 6,435,606</u></b>	<b><u>\$ 20,200,089</u></b>	<b><u>\$ 2,419,342</u></b>	<b><u>\$ 259,408</u></b>	<b><u>\$ 29,314,445</u></b>

See accompanying notes.

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 5,989,318	\$ 3,593,626
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,179,670	1,206,074
Amortization	28,956	121,992
(Gain) loss on investments	(148,036)	201,435
(Increase) decrease in:		
Grants receivable	(973,882)	(660,844)
Promises receivable	(112,548)	413,775
Accounts receivable	(51,830)	(5,214)
Prepaid insurance	(11,181)	(8,764)
Increase (decrease) in:		
Accounts payable	593,377	(486,959)
Accrued interest	(5,242)	(6,607)
Deferred revenue	(27,334)	54,667
Accrued expenses and payroll withholdings	<u>(3,150)</u>	<u>(71,925)</u>
Net cash provided by operating activities	<u>6,458,118</u>	<u>4,351,256</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(109,276)	(379,280)
Proceeds from sale of investments	7,500	345,453
Purchase of property and equipment	<u>(107,480)</u>	<u>(3,727,527)</u>
Net cash used by investing activities	<u>(209,256)</u>	<u>(3,761,354)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on capital lease	(129,694)	(165,542)
Payment on line of credit	-	(475,000)
Proceeds from notes payable	815,870	6,395,302
Payments on notes payable	(934,560)	(5,303,115)
Loan fees	-	221,774
Net cash provided (used) by financing activities	<u>(248,384)</u>	<u>673,419</u>
NET INCREASE IN CASH	6,000,478	1,263,321
CASH AND CASH EQUIVALENTS, beginning	<u>4,954,185</u>	<u>3,690,864</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 10,954,663</u>	<u>\$ 4,954,185</u>
<b>Supplemental Disclosures:</b>		
Interest paid	<u>\$ 559,237</u>	<u>\$ 637,183</u>
Non-cash financing activity - Payroll Protection Program Loan Forgiveness	<u>\$ 2,818,300</u>	<u>\$ -</u>

See accompanying notes.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Guadalupe Centers, Inc. is a multi-purpose community center, which serves the needs of the elderly, youth and residents of the Latino neighborhoods of Kansas City, Missouri. Programs currently offered include counseling, emergency assistance, youth and elderly services, education, health initiatives, cultural events and various activities.

**Basis of Accounting**

The accompanying financial statements are prepared using the accrual method of accounting in accordance with U.S. generally accepted accounting principles.

**Principles of Consolidation and Comparability**

The consolidated financial statements include the accounts of Guadalupe Centers, Inc., Guadalupe Educational Systems, Inc., Guadalupe Alta Vista Charter School, LLC and Guadalupe Villa Campus, LLC (collectively, the “Organization”).

The Guadalupe Educational Systems, Inc. was organized to operate the Alta Vista Charter School effective July 1, 2006. Guadalupe Centers, Inc. is the sole member of this corporation.

During September 2013, Guadalupe Centers, Inc. formed a new entity, Guadalupe Alta Vista Charter School, LLC, a 501(c)2 real estate holding company, which is operated exclusively for the benefit of its sole member, Guadalupe Centers, Inc. The entity was formed in conjunction with a New Market Tax Credit transaction discussed in Note L.

During June 2019, Guadalupe Centers, Inc. formed a new entity, Guadalupe Villa Campus, LLC, a 501(c)2 real estate holding company, which is operated exclusively for the benefit of its sole member, Guadalupe Centers, Inc. The entity was formed in conjunction with a New Market Tax Credit transaction discussed in Note L.

**Basis of Presentation**

The Organization reports net assets, revenues, expenses, and gains and losses in two classes of net assets that are based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified are reported as follows:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed stipulations.

**Net Asset with Donor Restrictions:** Net assets subject to donor-imposed stipulations for use for a particular purpose or in a future period.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

**Grants Receivable**

Grants receivable are primarily from government agencies and are considered fully collectible.

**Accounts Receivable**

The Organization provides an allowance for uncollectible accounts based upon a review of existing receivables. At December 31, 2021 and 2020, the Organization considered all receivables fully collectible.

**Collection Items**

Collection items are recorded based on the appraised fair market value at date of gift and are not depreciated since their value is not expected to decline in value over time.

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Expense Allocation**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Income Taxes**

Guadalupe Centers, Inc. and Guadalupe Educational Systems, Inc. are not-for-profit organizations that are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as charitable organizations whereby only unrelated business income, as defined by Section 509(a)(2) of the Code, is subject to federal income tax. The Organizations currently have no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Guadalupe Alta Vista Charter School, LLC and Guadalupe Villa Campus, LLC are separate entities and independent from Guadalupe Centers, Inc. For Federal and State income tax purposes, however, it is intended that these companies shall be disregarded as an entity, and its income, gains, deductions, credits, losses and other tax items shall be treated as those of Guadalupe Centers, Inc.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Organization's Forms 990, Return of Organization Exempt from Income Taxes, for the years ended December 31, 2020, 2019 and 2018, are subject to examination by the IRS, generally three years after they were filed.

**Property and Equipment**

Property and equipment are recorded at cost, if acquired, or fair value, if donated. The Organization's policy is to capitalize property and equipment with a cost of \$1,500 or more and a useful life of three years or more. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, which range as follows:

	<u>Years</u>
Buildings	20 - 50
Building improvements	5 - 20
Leasehold improvements	7 - 20
Furniture and equipment	5 - 7
Vehicles	5 - 7

**Accrued Paid Time Off**

The amount of paid time off (PTO) allowed per year depends upon an employee's years of service. PTO is available for full-time and part-time employees after thirty days of continuous employment. Up to a maximum of 448 hours of unused PTO may be accumulated and carried over. PTO will not be paid after notice of resignation or in the event of separation unless the employee is retiring or has been employed at the Organization for 20 years or more. In those cases, unused PTO will be paid in the event of separation.

**Intercompany Revenue**

During 2021 and 2020, Guadalupe Centers, Inc. provided intercompany instructional, operating and catering services to Guadalupe Educational Systems, Inc. in the amount of \$957,918 and \$1,060,832, respectively that would otherwise be outsourced. During 2021 and 2020, they also collected rent from Guadalupe Educational Systems, Inc. in the amounts of \$3,297,262 and \$2,917,978, respectively.

The intercompany instructional and catering services are presented on the Statement of Activities as program services and other fees and the intercompany rent is presented as rent revenue.

**Subsequent Events**

Management has evaluated subsequent events through November 17, 2022, the date the financial statements were available to be issued.

**NOTE B - NEW ACCOUNTING PRONOUNCEMENT**

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This new accounting pronouncement, which outlines a single, comprehensive model for accounting for revenue from contracts with customers ("exchange transactions"), became effective for the Organization for the year ended December 31, 2020. Revenue streams applicable to the Organization that qualify as exchange transactions do not involve unfulfilled performance obligations and are recognized at a single point upon receipt when all risks and rewards transfer, therefore the implementation of ASU 2014-09 had no impact on beginning net assets or revenues.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE C - CASH**

At December 31, 2021, the bank balances of the Organization's deposits totaled \$11,257,346. Of this amount \$1,019,673 was covered by FDIC insurance, \$9,713,000 was guaranteed with securities under a repurchase agreement and \$524,673 was uninsured.

At December 31, 2020, the bank balances of the Organization's deposits totaled \$5,120,026. Of this amount \$921,070 was covered by FDIC insurance, \$4,150,000 was guaranteed with securities under a repurchase agreement and \$48,956 was uninsured.

**NOTE D - INVESTMENTS**

The Organization carries Level 1 measurements for investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. The Organization initially records Level 2 financial investments at the fair value as of the date the investments are donated to the Organization and thereafter carries such investments primarily at current appraised values. The Organization uses the income approach to record Level 3 investments. Fair values for assets in Level 3 are calculated using assumptions about discounted cash flow and other present value techniques.

Level 1 investments consist of the following:

	<b>2021</b>	<b>2020</b>
Mutual funds	<u>\$ 1,895,611</u>	<u>\$ 1,651,394</u>

A summary of earnings on investments for the years ended December 31, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Interest and dividends	\$ 17,481	\$ 25,819
Realized and unrealized gains	226,170	179,731
Investment expense	<u>(11,182)</u>	<u>(9,391)</u>
Net investment income	<u>\$ 232,469</u>	<u>\$ 196,159</u>

**NOTE E - PROMISES RECEIVABLE**

Promises receivable at December 31, 2021 and 2020 are due as follows:

	<b>2021</b>	<b>2020</b>
Less than one year	\$ 834,062	\$ 612,300
One to five years	-	110,000
More than five years	-	-
	<u>834,062</u>	<u>722,300</u>
Less: Discount to present value	<u>-</u>	<u>(786)</u>
	<u>\$ 834,062</u>	<u>\$ 721,514</u>

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE F - PROPERTY AND EQUIPMENT**

	2021	2020
Land	\$ 380,645	\$ 380,645
Buildings	15,821,445	15,821,445
Building improvements	12,244,618	12,219,214
Leasehold improvements	56,469	56,469
Furniture and equipment	2,120,080	2,045,742
Vehicles	544,707	544,707
Construction in progress	160,690	160,690
	<hr/> 31,328,654	<hr/> 31,228,912
Accumulated depreciation	(9,432,802)	(8,253,132)
	<hr/> \$ 21,895,852	<hr/> \$ 22,975,780

Depreciation expense for the years ended December 31, 2021 and 2020 was \$1,179,670 and \$1,206,074, respectively.

**NOTE G - SBA PAYCHECK PROTECTION PROGRAM LOANS**

On April 7, 2020, the Organization was approved for an \$815,800 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for ten months after the covered period of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. On January 29, 2021 the loan was fully forgiven.

On April 17, 2020, the Organization was approved for a \$2,002,500 loan under the Paycheck Protection Program. The loan accrues interest at 1%, but payments are not required to begin for ten months after the covered period of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. On June 10, 2021 the loan was fully forgiven.

On February 24, 2021, the Organization was approved for an \$815,870 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for ten months after the covered period of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The balance at December 31, 2021 was \$815,870. Subsequent to year end, the loan was fully forgiven on June 10, 2022.

**NOTE H - NOTES PAYABLE**

	2021	2020
Principal amount	\$ 10,345,859	\$ 11,293,752
Less unamortized debt issuance costs	<hr/> 139,343	<hr/> 168,299
Notes payable, net	<hr/> \$ 10,206,516	<hr/> \$ 11,125,453

On February 14, 2014, the Organization entered into a \$2,900,000 secured loan agreement with Raza Development Fund, a not-for-profit corporation. The proceeds of the loan were used to purchase a building. In May 2015, an additional \$1,450,000 was advanced on the loan and the terms were revised. The revised loan bears interest at 5.675% and is secured by real estate. On July 16, 2019, this loan with Raza Development was refinanced with IFF. The loan is secured by real estate and bears interest at 6.0%. The loan is payable in monthly installments of principal and interest of \$33,476 until August 1, 2034. The balance of the loan as of December 31, 2021 and 2020 was \$3,558,166 and \$3,740,413, respectively.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE H - NOTES PAYABLE (continued)**

On August 25, 2017, the Organization entered into a \$1,389,000 secured promissory note with Community America Credit Union. The proceeds of the loan were used to refinance existing debt that had been used to purchase real estate. The loan is secured by real estate and bears interest at 4.75%. The loan is payable in monthly installments of principal and interest until August 2022. The balance of the loan at December 31, 2021 and 2020 was \$204,244 and \$499,307, respectively.

On August 25, 2017, the Organization entered into a \$1,479,800 secured promissory note with Community America Credit Union. The proceeds of the loan were used to refinance existing debt that had been used to purchase real estate. The loan is secured by real estate and bears interest at 4.75%. The loan is payable in monthly installments of principal and interest until August 2027. The balance of the loan at December 31, 2021 and 2020 was \$924,022 and \$1,061,360, respectively.

On July 16, 2019, the Organization entered into a \$550,000 secured promissory note with a limited liability company. As of December 31, 2019 the disbursements of this note totaled \$472,998 with the remaining balance disbursed in 2020. The proceeds of the loan were used to purchase equipment, furniture, fixtures and other personal property. The loan is secured by equipment. The loan bears interest at 6.0% and is payable in monthly installments of interest only until November 1, 2020 with principal and interest payments beginning then until October 1, 2023. The balance of the loan at December 31, 2021 and 2020 was \$347,760 and \$521,966, respectively.

On July 16, 2019, the Organization entered into a note payable with a limited liability company in the amount of \$1,494,465 to develop property for a public charter school facility. The note is secured by real estate. Beginning September 1, 2019, the note requires quarterly interest payments until maturity with interest at 3.8804%. The principal amount and all unpaid interest is due on July 16, 2026. The balance at December 31, 2021 and 2020 was \$1,494,465.

On July 16, 2019, the Organization entered into a note payable with a limited liability company in the amount of \$505,535 to develop property for a public charter school facility. The note is secured by real estate. Beginning September 1, 2019, the note requires quarterly interest payments until maturity with interest at 3.8804%. The principal amount and all unpaid interest is due on July 16, 2026. The balance at December 31, 2021 and 2020 was \$505,535.

On July 16, 2019, the Organization entered into a note payable with a limited liability company in the amount of \$1,000,000 to develop property for a public charter school facility. There were no advances on this loan made in 2019. The note is secured by real estate. Beginning when the first advance is made, the note requires monthly installments of interest only until February 1, 2021 with 60 principal and interest payments of \$8,439 beginning then. The loan bears interest at 6.0%. The principal amount and all unpaid interest is due on February 1, 2026. The balance at December 31, 2021 and 2020 was \$961,217 and \$1,000,000, respectively.

On September 11, 2020, the Organization entered into a \$2,500,000 secured promissory note with Community America Credit Union. The proceeds of the loan were used to refinance existing debt that had been used to develop property for a public charter school facility. The loan is secured by real estate and bears interest at 4.5%. The loan is payable in monthly installments of principal and interest of \$19,207 beginning October 11, 2020 with a balloon payment on September 11, 2030. The balance at December 31, 2021 and 2020 was \$2,350,450 and \$2,470,706, respectively.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE H - NOTES PAYABLE (continued)**

Future maturities of the debt are as follows:

Year ending December 31,	Principal	Interest	Total
2022	\$ 899,095	\$ 747,863	\$ 1,646,958
2023	702,369	694,021	1,396,390
2024	568,728	648,540	1,217,268
2025	599,502	605,047	1,204,549
2026	3,339,747	487,159	3,826,906
2027-2042	4,236,418	1,921,108	6,157,526
	<u>\$ 10,345,859</u>	<u>\$ 5,103,738</u>	<u>\$ 15,449,597</u>

**NOTE I - CAPITAL LEASE OBLIGATION**

The Organization also entered into a lease agreement on March 25, 2019 for laptops. The three-year lease agreement requires annual payments of \$132,287, interest at 2%. The balance as of December 31, 2021 and 2020 was \$0 and \$129,694, respectively.

**NOTE J - LINE OF CREDIT**

On July 22, 2014, the Organization entered into a secured line of credit agreement in the amount of \$420,000. The line of credit renewed on October 22, 2015, with an increased limit to \$520,000. The line of credit renewed annually and again on December 30, 2020, bearing interest at prime plus .25% with a floor of 4.00% and maturing on December 30, 2022. The available balance on this line of credit as of December 31, 2021 and 2020 was \$520,000.

**NOTE K - OPERATING LEASES**

The Organization entered into an operating lease agreement for copier equipment on November 30, 2021. The lease is payable in monthly installments of \$7,356 for 21 months.

The Organization entered into another operating lease agreement for copier equipment on November 30, 2021. The lease is payable in monthly installments of \$1,567 for 21 months.

The future minimum lease payments under these leases are as follows:

Year ending December 31,	
2022	\$ 107,073
2023	71,382
Total	<u>\$ 178,455</u>

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE L - NEW MARKET TAX CREDITS**

In September 2013, the Organization and its newly formed affiliate, Guadalupe Alta Vista Charter School, LLC, entered into a series of transactions which generated “New Market Tax Credits” under Section 45D of Internal Revenue Code of 1986, as amended. Chase NMTC IFF Charter School Investment Fund, LLC (Investment Fund), an entity wholly owned by Chase Community Equity, LLC by virtue of a capital contribution of \$1,657,500, was awarded New Market Tax Credits of \$1,950,000 in consideration of its \$5,000,000 investment in its 99.99% owned subsidiary, IFF Capital V, LLC. IFF Capital V, LLC made three loans totaling \$4,650,000 to Guadalupe Alta Vista Charter School, LLC. The entire principal amount was forgiven by the lender in 2020.

The Organization transferred all its real estate to Guadalupe Alta Vista Charter School, LLC. Guadalupe Alta Vista Charter School, LLC will lease its real estate to the Organization under terms of a triple net lease requiring annual lease payments of \$255,600 from 2014 through 2019, \$311,100 for 2020, \$477,600 from 2021 through 2028, \$501,600 from 2029 through 2036, \$526,800 from 2037 through 2042 and \$363,708 for 2043.

In June 2019, the Organization and its newly formed affiliate, Guadalupe Villa Campus, LLC, entered into a series of transactions which generated “New Market Tax Credits” under Section 45D of Internal Revenue Code of 1986, as amended. On July 16, 2019, IFF Capital 26, LLC, made two loans totaling \$2,000,000 described in Note H to Guadalupe Villa Campus, LLC.

In June 2019, the Organization transferred its real estate located at 5123 Truman Road in Kansas City and the related debt to Guadalupe Villa Campus, LLC. Guadalupe Villa Campus, LLC will lease its real estate to the Organization under terms of a triple net lease requiring monthly lease payments of \$51,177 from July 16, 2019 through July 15, 2034.

**NOTE M - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2021 and 2020 consist of:

	<u>2021</u>	<u>2020</u>
Capital improvements	\$ 1,166,890	\$ 1,450,253
Education	493,320	186,407
Senior support services	98,732	-
Family support services	79,810	-
Substance abuse services	50,735	-
	<hr/> <u>\$ 1,889,487</u>	<hr/> <u>\$ 1,636,660</u>

**NOTE N - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization received significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles; operating within a prudent range or financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

**GUADALUPE CENTERS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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**NOTE N - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)**

The following table reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

	<b>2021</b>	<b>2020</b>
Cash	\$ 10,954,663	\$ 4,954,185
Grants receivable, net	2,425,060	1,451,178
Promises receivable, net	834,062	721,514
Accounts receivable, net	71,085	19,255
<b>Total financial assets</b>	<b>14,284,870</b>	<b>7,146,132</b>
Donor restricted assets	(1,889,487)	(1,636,660)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,395,383</u>	<u>\$ 5,509,472</u>

**NOTE O - RETIREMENT PLAN**

The Organization's school contributes to The Public School Retirement System of the School District of Kansas City, Missouri, a cost-sharing multiple-employer defined benefit pension plan. Under the plan, the covered employees are required to contribute 9% of their annual covered salary and the School is required to contribute 12%. The contribution requirements of these employees and the School are established by the Board of Trustees of the Plan. The School's contributions for 2021 and 2020 were \$1,057,210 and \$1,037,439, respectively.

**NOTE P - LITIGATION**

As of December 31, 2021 and 2020, Guadalupe Educational Systems, Inc. is a defendant in an ongoing litigation matter. An outcome cannot be predicted at this time, however, Guadalupe Educational Systems, Inc.'s insurance carrier is vigorously defending against this claim.

## **SUPPLEMENTARY INFORMATION**

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

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**ASSETS**

	Guadalupe Centers, Inc.	Guadalupe Alta Vista Charter School, LLC	Guadalupe Villa Campus, LLC	Eliminations	Total
Cash and cash equivalents	\$ 10,954,663	\$ -	\$ -	\$ -	\$ 10,954,663
Grants receivable, net	2,425,060	- -	- -	- -	2,425,060
Promises receivable, net	834,062	- -	- -	- -	834,062
Accounts receivable, net	71,085	- -	- -	- -	71,085
Intercompany receivable	143,416	30,827	274,074	(448,317)	-
Prepaid insurance	72,345	- -	- -	- -	72,345
Investments	1,895,611	- -	- -	- -	1,895,611
Property and equipment, net	11,461,311	4,147,840	6,286,701	- -	21,895,852
Collection items, donated artwork	<u>182,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,500</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,040,053</u></b>	<b><u>\$ 4,178,667</u></b>	<b><u>\$ 6,560,775</u></b>	<b><u>\$ (448,317)</u></b>	<b><u>\$ 38,331,178</u></b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES:</b>					
Accounts payable	\$ 840,495	\$ -	\$ -	\$ -	\$ 840,495
Accrued expenses and payroll withholdings	139,933	- -	- -	- -	139,933
Accrued interest	11,865	- -	22,597	- -	34,462
Intercompany payable	448,317	- -	- -	(448,317)	-
Deferred revenue	27,333	- -	- -	- -	27,333
SBA paycheck protection program loans	815,870	- -	- -	- -	815,870
Notes payable, net	<u>1,462,572</u>	<u>2,321,556</u>	<u>6,422,388</u>	<u>- -</u>	<u>10,206,516</u>
<b>TOTAL LIABILITIES</b>	<b><u>3,746,385</u></b>	<b><u>2,321,556</u></b>	<b><u>6,444,985</u></b>	<b><u>(448,317)</u></b>	<b><u>12,064,609</u></b>

<b>NET ASSETS:</b>					
Without donor restrictions	22,404,181	1,857,111	115,790	- -	24,377,082
With donor restrictions	<u>1,889,487</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>1,889,487</u>
<b>TOTAL NET ASSETS</b>	<b><u>24,293,668</u></b>	<b><u>1,857,111</u></b>	<b><u>115,790</u></b>	<b><u>- -</u></b>	<b><u>26,266,569</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 28,040,053</u></b>	<b><u>\$ 4,178,667</u></b>	<b><u>\$ 6,560,775</u></b>	<b><u>\$ (448,317)</u></b>	<b><u>\$ 38,331,178</u></b>

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

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	ASSETS					
	Guadalupe Centers, Inc.	Guadalupe Alta Vista Charter School, LLC	Guadalupe Villa Campus, LLC	Eliminations	Total	
Cash and cash equivalents	\$ 4,954,185	\$ -	\$ -	\$ -	\$ 4,954,185	
Grants receivable, net	1,451,178	-	-	-	1,451,178	
Promises receivable, net	721,514	-	-	-	721,514	
Accounts receivable , net	19,255	-	-	-	19,255	
Intercompany receivable	90,722	-	237,269	(327,991)	-	
Prepaid insurance	61,164	-	-	-	61,164	
Investments	1,651,394	-	-	-	1,651,394	
Property and equipment, net	12,103,860	4,246,256	6,625,664	-	22,975,780	
Collection items, donated artwork	<u>182,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,500</u>	
<b>TOTAL ASSETS</b>	<b><u>\$ 21,235,772</u></b>	<b><u>\$ 4,246,256</u></b>	<b><u>\$ 6,862,933</u></b>	<b><u>\$ (327,991)</u></b>	<b><u>\$ 32,016,970</u></b>	
	LIABILITIES AND NET ASSETS					
<b>LIABILITIES:</b>						
Accounts payable	\$ 247,118	\$ -	\$ -	\$ -	\$ 247,118	
Accrued expenses and payroll withholdings	143,083	-	-	-	143,083	
Accrued interest	15,835	-	23,869	-	39,704	
Intercompany payable	29,954	298,037	-	(327,991)	-	
Deferred revenue	54,667	-	-	-	54,667	
SBA paycheck protection program loans	2,818,300				2,818,300	
Capital lease payable	129,694	-	-	-	129,694	
Notes payable, net	<u>2,057,603</u>	<u>2,438,478</u>	<u>6,629,372</u>	<u>-</u>	<u>11,125,453</u>	
<b>TOTAL LIABILITIES</b>	<b><u>5,496,254</u></b>	<b><u>2,736,515</u></b>	<b><u>6,653,241</u></b>	<b><u>(327,991)</u></b>	<b><u>14,558,019</u></b>	
<b>NET ASSETS:</b>						
Without donor restrictions	14,102,858	1,509,741	209,692	-	15,822,291	
With donor restrictions	<u>1,636,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,636,660</u>	
<b>TOTAL NET ASSETS</b>	<b><u>15,739,518</u></b>	<b><u>1,509,741</u></b>	<b><u>209,692</u></b>	<b><u>-</u></b>	<b><u>17,458,951</u></b>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 21,235,772</u></b>	<b><u>\$ 4,246,256</u></b>	<b><u>\$ 6,862,933</u></b>	<b><u>\$ (327,991)</u></b>	<b><u>\$ 32,016,970</u></b>	

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATING SCHEDULE - STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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	Guadalupe Centers, Inc.			Guadalupe Alta Vista Charter School, LLC		Guadalupe Villa Campus, LLC		Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total	
<b>SUPPORT AND REVENUE:</b>										
Federal government grants/contracts	\$ 6,536,073	\$ -	\$ 6,536,073	\$ -	\$ -	\$ -	\$ 6,536,073	\$ -	\$ 6,536,073	
Other government grants/contracts	22,088,351	-	22,088,351	-	-	-	22,088,351	-	22,088,351	
Contributions and non-government grants	650,580	1,171,000	1,821,580	-	-	-	650,580	1,171,000	1,821,580	
United Way	136,101	-	136,101	-	-	-	136,101	-	136,101	
Program services and other fees	2,407,119	-	2,407,119	559,346	614,118	(1,173,464)	2,407,119	-	2,407,119	
Special events	107,343	-	107,343	-	-	-	107,343	-	107,343	
Rent revenue	3,297,262	-	3,297,262	-	-	-	3,297,262	-	3,297,262	
Net investment income	232,469	-	232,469	-	-	-	232,469	-	232,469	
Other revenue	1,089,098	-	1,089,098	-	-	-	1,089,098	-	1,089,098	
Total support and revenue	36,544,396	1,171,000	37,715,396	559,346	614,118	(1,173,464)	36,544,396	1,171,000	37,715,396	
Net assets released from restrictions	918,173	(918,173)	-	-	-	-	918,173	(918,173)	-	
Total support, revenue and reclassifications	37,462,569	252,827	37,715,396	559,346	614,118	(1,173,464)	37,462,569	252,827	37,715,396	
<b>EXPENSES:</b>										
Program services:										
Community Center	6,332,682	-	6,332,682	101,751	353,011	-	6,787,444	-	6,787,444	
Alta Vista Charter School	22,229,507	-	22,229,507	-	-	-	22,229,507	-	22,229,507	
Management and general	3,078,418	-	3,078,418	110,225	355,009	(1,173,464)	2,370,188	-	2,370,188	
Fund raising	338,939	-	338,939	-	-	-	338,939	-	338,939	
Total expenses	31,979,546	-	31,979,546	211,976	708,020	(1,173,464)	31,726,078	-	31,726,078	
Change in net assets before loan forgiveness	5,483,023	252,827	5,735,850	347,370	(93,902)	-	5,736,491	252,827	5,989,318	
Forgiveness of Payroll Protection Program loan	2,818,300	-	2,818,300	-	-	-	2,818,300	-	2,818,300	
Change in net assets	8,301,323	252,827	8,554,150	347,370	(93,902)	-	8,554,791	252,827	8,807,618	
Net assets, January 1,	14,102,858	1,636,660	15,739,518	1,509,741	209,692	-	15,822,291	1,636,660	17,458,951	
Net assets, December 31	\$ 22,404,181	\$ 1,889,487	\$ 24,293,668	\$ 1,857,111	\$ 115,790	\$ -	\$ 24,377,082	\$ 1,889,487	\$ 26,266,569	

**GUADALUPE CENTERS, INC.**  
**CONSOLIDATING SCHEDULE - STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Guadalupe Centers, Inc.			Guadalupe Alta Vista Charter School, LLC	Guadalupe Villa Campus, LLC				Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total		
<b>SUPPORT AND REVENUE:</b>											
Federal government grants/contracts	\$ 3,475,926	\$ -	\$ 3,475,926	\$ -	\$ -	\$ -	\$ 3,475,926	\$ -	\$ 3,475,926		
Other government grants/contracts	19,304,924	-	19,304,924	-	-	-	19,304,924	-	19,304,924		
Contributions and non-government grants	1,209,627	441,150	1,650,777	250,000	-	-	1,459,627	441,150	1,900,777		
United Way	186,481	-	186,481	-	-	-	186,481	-	186,481		
Program services and other fees	2,419,573	-	2,419,573	373,161	614,118	(987,279)	2,419,573	-	2,419,573		
Special events	98,870	-	98,870	-	-	-	98,870	-	98,870		
Rent revenue	2,917,978	-	2,917,978	-	-	-	2,917,978	-	2,917,978		
Net investment income	196,159	-	196,159	-	-	-	196,159	-	196,159		
Other revenue	1,249,883	-	1,249,883	1,157,500	-	-	2,407,383	-	2,407,383		
Total support and revenue	31,059,421	441,150	31,500,571	1,780,661	614,118	(987,279)	32,466,921	441,150	32,908,071		
Net assets released from restrictions	1,076,545	(1,076,545)	-	-	-	-	1,076,545	(1,076,545)	-		
Total support, revenue and reclassifications	<u>32,135,966</u>	<u>(635,395)</u>	<u>31,500,571</u>	<u>1,780,661</u>	<u>614,118</u>	<u>(987,279)</u>	<u>33,543,466</u>	<u>(635,395)</u>	<u>32,908,071</u>		
<b>EXPENSES:</b>											
Program services:											
Community Center	5,887,638	-	5,887,638	149,811	398,157	-	6,435,606	-	6,435,606		
Alta Vista Charter School	20,200,089	-	20,200,089	-	-	-	20,200,089	-	20,200,089		
Management and general	2,852,716	-	2,852,716	226,822	327,083	(987,279)	2,419,342	-	2,419,342		
Fund raising	259,408	-	259,408	-	-	-	259,408	-	259,408		
Total expenses	<u>29,199,851</u>	<u>-</u>	<u>29,199,851</u>	<u>376,633</u>	<u>725,240</u>	<u>(987,279)</u>	<u>29,314,445</u>	<u>-</u>	<u>29,314,445</u>		
Change in net assets	2,936,115	(635,395)	2,300,720	1,404,028	(111,122)	-	4,229,021	(635,395)	3,593,626		
Net assets, January 1	<u>11,166,743</u>	<u>2,272,055</u>	<u>13,438,798</u>	<u>105,713</u>	<u>320,814</u>	<u>-</u>	<u>11,593,270</u>	<u>2,272,055</u>	<u>13,865,325</u>		
Net assets, December 31	<u>\$ 14,102,858</u>	<u>\$ 1,636,660</u>	<u>\$ 15,739,518</u>	<u>\$ 1,509,741</u>	<u>\$ 209,692</u>	<u>\$ -</u>	<u>\$ 15,822,291</u>	<u>\$ 1,636,660</u>	<u>\$ 17,458,951</u>		

**GUADALUPE CENTERS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<b><u>U.S. Department of Agriculture</u></b>			
Child Nutrition Cluster:			
Passed-through Missouri Department of Elementary and Secondary Education:			
School Breakfast Program	10.553		\$ 145,263
National School Lunch Program	10.555		418,910
COVID-19 - National School Lunch Program	10.555		140,778
Non-Cash: Food Distribution Program	10.555		<u>35,201</u>
			740,152
Passed-through Missouri Department of Health and Senior Services:			
Summer Food Service Program	10.559	ERS0460052S	282,461
Total Child Nutrition Cluster			<u>1,022,613</u>
Passed-through Missouri Department of Health and Senior Services:			
Child and Adult Care Food Program	10.558	ERS46110052	60,446
COVID-19 - Child and Adult Care Food Program	10.558	ERS46110052	10,847
Total Child and Adult Care Food Program			<u>71,293</u>
Passed-through Missouri Department of Social Services:			
Emergency Food Assistance Program			
Non-Cash: Food Commodities	10.569		<u>41,272</u>
Total U.S. Department of Agriculture			<u>1,135,178</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed-through City of Kansas City, Missouri:			
CDBG Entitlement Grants Cluster:			
Community Development Block Grant Program	14.218		341,970
COVID-19 - Community Development Block Grant Program	14.218		20,148
Total Community Development Block Grant Program			<u>362,118</u>
COVID-19 - Emergency Solutions Grant	14.231		<u>85,280</u>
Total U.S. Department of Housing and Urban Development			<u>447,398</u>
<b><u>U.S. Department of the Treasury</u></b>			
Passed-through City of Kansas City, Missouri:			
COVID-19 - Emergency Rental Assistance Program	21.023		275,000
Passed-through Clay County, Missouri:			
COVID-19 - Emergency Rental Assistance Program	21.023		<u>50,000</u>
Total Emergency Rental Assistance Program			<u>325,000</u>
<b><u>U.S. Department of Education</u></b>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027		241,100
Special Education - Preschool Grants	84.173		6,437
Total Special Education Cluster (IDEA)			<u>247,537</u>
Title I - Grants to Local Educational Agencies	84.010		693,128
English Language Acquisition Grants	84.365		159,805
Supporting Effective Instruction State Grants	84.367		89,549
Student Support and Academic Enrichment Program	84.424		43,920
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D		2,037,315
COVID-19 - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U		481,506
Total Education Stabilization Fund			<u>2,518,821</u>
Total U.S. Department of Education			<u>3,752,760</u>

**GUADALUPE CENTERS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed-through Mid-America Regional Council:			
Aging Cluster:			
Special Programs for the Aging-Title III, Part B	93.044		9,287
Special Programs for the Aging-Title III, Part C	93.045		116,091
Nutrition Services Incentive Program	93.053		41,077
Total Aging Cluster			<u>166,455</u>
Head Start Cluster:			
Head Start	93.600		629,587
COVID-19 - Head Start	93.600		30,693
Total Head Start Cluster			<u>660,280</u>
Social Services Block Grant	93.667		4,762
Passed-through City of Kansas City, Missouri:			
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT)			
Health Department Response to Public Health or Healthcare Crisis	93.391		
Total U.S. Department of Health and Human Services			<u>36,648</u>
			<u>868,145</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Direct:			
Emergency Food and Shelter Program	97.024		
Total U.S. Department of Homeland Security			<u>7,592</u>
Total Expenditures of Federal Awards			<u>7,592</u>
			<u>\$ 6,536,073</u>

**Note 1. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Guadalupe Centers, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 2. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Guadalupe Centers, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Guadalupe Centers, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Guadalupe Centers, Inc.

## **INTERNAL CONTROL AND COMPLIANCE**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Guadalupe Centers, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Guadalupe Centers, Inc. (a nonprofit organization) which comprise the statement of financial position as of and for the year ended December 31, 2021, and the related statements of activities, and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated November 17, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Westbrook & Co., P.C.*

Richmond, Missouri  
November 17, 2022

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

To the Board of Directors  
Guadalupe Centers, Inc.

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited Guadalupe Centers, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Guadalupe Centers, Inc. complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Westbrook & Co., P.C.*

Richmond, Missouri  
November 17, 2022

**GUADALUPE CENTERS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes  X  No

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes  X  None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes  X  No

Identification of major federal programs:

- Emergency Rental Assistance Program AL No. 21.023
- Education Stabilization Fund AL No. 84.425

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes  X  No

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None