GUADALUPE CENTER, INC

COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

GUADALUPE CENTER, INC.

TABLE OF CONTENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

ROGERS WOOD HILL STARMAN & GUSTASON
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
2375 TAMIAMI TRAIL NORTH, SUITE 110
NAPLES, FLORIDA 34103

SHELDON W. STARMAN, C.P.A.
RONALD W. GUSTASON, C.P.A.
SHARON A. BELCHER, C.P.A.
SCOT A. SHEPARD, C.P.A.
SEAN M. NOLAN, C.P.A.
KIM (QIONG) CHEN, C.P.A.
LAURA L. GELMAN, EA
THOMAS J. GANO, C.P.A

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

OFFICES:
NAPLES 262-1040
MARCO ISLAND 394-7502

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Guadalupe Center, Inc.
Immokalee, Florida

Opinion

We have audited the accompanying financial statements of Guadalupe Center, Inc. (a nonprofit organization), and affiliates, which comprise the combined statement of financial position as of June 30, 2023, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Guadalupe Center, Inc. and affiliates as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Guadalupe Center, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Guadalupe Center'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Guadalupe Center'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.

Report on Prior Year Information
We have previously audited the Guadalupe Center, Inc.'s 2022, combined financial statements. Our report, dated November 29, 2022, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audit from which it has been derived.

Rogers Wood Hill Starman & Gustason

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants & Advisors
December 14, 2023

GUADALUPE CENTER, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(With Comparative Totals for 2022)

ASSETS

	2023	2022
Cash and cash equivalents	$ 9,999,111	$ 5,603,456
Cash and cash equivalents - restricted	1,149,777	1,518,672
Beneficial interest in assets held by Community Foundation	5,981,991	5,265,928
Beneficial interest in assets held by Community Foundation - restricted	2,828,654	2,621,676
Grants receivable	271,634	248,817
Other receivable	2,552	2,082
Unconditional promises to give, net	2,242,111	2,671,281
Thrift shop inventory	125,743	121,434
Prepaid expenses	159,509	240,812
Deposits	21,946	20,472
Loan receivable from TNT - Guadalupe NMTC Fund, LLC	10,473,050	10,473,050
Right to use - Asset	616,254	-
Land available for sale	204,238	224,912
Property and equipment, net	23,768,715	23,978,437
Total assets	$ 57,845,285	$ 52,991,029

LIABILITIES AND NET ASSETS

	2023	2022
Accounts payable and accrued expenses	$ 701,830	$ 976,700
Accrued interest payable	8,302	8,302
Scholarship liability	1,259,872	1,114,751
Right to use - Lease Liability	625,915	-
Note payable - TRF NMTC Fund XLIX, L.P.	8,500,000	8,500,000
Note payable - PSG Sub CDE 9, LLC	7,275,000	7,275,000
Total liabilities	18,370,919	17,874,753
Net assets:		
Without donor restrictions		
Undesignated	8,827,472	4,187,821
Board designated - contingency	1,908,756	1,677,338
Designated for property and equipment	18,466,765	18,676,487
Total net assets without donor restrictions	29,202,993	24,541,646
With donor restrictions		
Purpose and time restrictions	7,984,857	8,288,114
Perpetual in nature	2,286,516	2,286,516
Total net assets with donor restrictions	10,271,373	10,574,630
Total net assets	39,474,366	35,116,276
Total liabilities and net assets	$ 57,845,285	$ 52,991,029

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

GUADALUPE CENTER, INC.

COMBINED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
REVENUES AND SUPPORT:				
Contributions	$ 8,881,463	$ 392,840	$ 9,274,303	$ 5,524,099
Federal grants	458,630	-	458,630	356,020
Early childhood education grants	4,313,749	-	4,313,749	2,462,490
Investment return	1,350,082	-	1,350,082	(1,200,139)
Special fundraising events	1,459,133	-	1,459,133	1,261,708
Goods contributed - Thrift shop	467,688	-	467,688	426,041
Thrift shop revenue	907,986	-	907,986	1,052,259
Less cost of goods sold	(419,306)	-	(419,306)	(426,041)
Other income	108,284	-	108,284	30,731
Total revenues and support - before releases from restrictions	17,527,709	392,840	17,920,549	9,487,168
Net assets released from restrictions	696,097	(696,097)	-	-
Total revenues and support	18,223,806	(303,257)	17,920,549	9,487,168
OPERATING EXPENSES:				
Program services				
Early childhood education	7,610,580	-	7,610,580	4,865,475
Tutoring/tutor corps	2,492,993	-	2,492,993	2,326,708
Administrative and general	1,421,741	-	1,421,741	1,260,377
Fundraising	1,460,629	-	1,460,629	1,075,493
Thrift shop	576,516	-	576,516	594,110
Total expenses	13,562,459	-	13,562,459	10,122,163
CHANGE IN NET ASSETS	4,661,347	(303,257)	4,358,090	(634,995)
NET ASSETS - Beginning of year	24,541,646	10,574,630	35,116,276	35,751,271
NET ASSETS - End of year	$ 29,202,993	$ 10,271,373	$ 39,474,366	$ 35,116,276

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

GUADALUPE CENTER, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	PROGRAM SERVICES		SUPPORTING SERVICES			
	Early Childhood Education	Tutoring/ Tutor Corps	Administrative and General	Fundraising	Thrift Shop	Total
Salaries	$ 4,710,881	$ 1,419,472	$ 511,320	$ 640,862	$ 204,209	$ 7,486,744
Payroll taxes	328,209	93,543	63,619	47,189	12,401	544,961
Employee benefits	452,157	60,699	68,185	56,110	14,049	651,200
Contracted services	76,335	787	714	3,046	47,254	128,136
Bank and credit card fees	29,946	30	68,866	785	25,249	124,876
Special events expenses	-	-	-	324,150	-	324,150
Depreciation	745,481	20,552	13,369	4,311	18,679	802,392
Donations and grants	2,271	43,177	8,377	2,802	-	56,627
Education	48,533	28,502	14,723	6,268	278	98,304
Student transportation	-	131,583	-	-	-	131,583
Food	398,554	-	-	-	-	398,554
Insurance	141,155	19,132	70,026	10,200	24,000	264,513
Interest	-	-	184,883	-	-	184,883
Office	51,705	26,650	65,510	18,511	1,846	164,222
Other	63,226	16,046	15,306	15,989	1,110	111,677
Professional services	(600)	150	119,129	239	966	119,884
Promotional	24,741	25,436	77,875	8,389	23,143	159,584
Rent	-	22,346	19,774	69,269	146,924	258,313
Repairs and maintenance	148,724	50,491	32,724	25,222	20,842	278,003
Scholarships	-	477,468	-	-	-	477,468
Supplies	104,881	25,357	29,814	41,131	12,521	213,704
Telephone	25,185	1,277	6,581	6,364	5,985	45,392
Miscellaneous	-	2,919	5,672	170,560	-	179,151
Utilities	254,578	22,215	29,132	3,727	8,764	318,416
Vehicle	4,618	5,161	16,142	5,505	8,296	39,722
Total	$ 7,610,580	$ 2,492,993	$ 1,421,741	$ 1,460,629	$ 576,516	$ 13,562,459

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

GUADALUPE CENTER, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM SERVICES		SUPPORTING SERVICES			
	Early Childhood Education	Tutoring/ Tutor Corps	Administrative and General	Fundraising	Thrift Shop	Total
Salaries	$ 3,083,362	$ 1,341,006	$ 500,655	$ 547,326	$ 193,294	$ 5,665,859
Payroll taxes	214,019	89,837	63,404	40,332	11,703	419,077
Employee benefits	343,782	53,852	68,819	44,285	12,353	523,092
Contracted services	30,595	14,547	11,629	14,172	114,367	185,309
Bank and credit card fees	17,097	-	66,872	409	25,260	109,638
Special events expenses	-	-	-	201,755	-	201,755
Depreciation	318,903	17,652	7,524	3,211	11,240	358,529
Donations and grants	10,544	34,964	151	5,525	-	51,185
Education	37,486	4,101	9,424	3,877	-	54,888
Student transportation	-	143,750	-	-	-	143,750
Food	302,306	11,248	4,208	2,393	628	320,782
Insurance	65,407	10,709	57,513	10,022	17,584	161,236
Interest	-	-	81,349	-	-	81,349
Office	42,085	21,701	66,252	3,605	949	134,592
Other	56,746	19,769	16,977	25,971	2,665	122,127
Professional services	1,470	21	120,049	-	-	121,540
Promotional	-	19,074	69,394	706	27,018	116,192
Rent	-	18,608	7,386	66,470	138,162	230,626
Repairs and maintenance	139,383	47,669	48,891	381	4,210	240,534
Scholarships	-	418,276	-	-	-	418,276
Supplies	85,230	38,531	27,613	13,372	13,106	177,853
Telephone	23,471	9,218	4,053	3,337	3,565	43,644
Miscellaneous	4,000	5,000	500	83,941	7,500	100,941
Utilities	81,499	4,619	6,395	655	8,703	101,871
Vehicle	8,090	2,556	19,319	3,749	1,803	35,518
Loss on disposal of asset	-	-	2,000	-	-	2,000
Total	$ 4,865,475	$ 2,326,708	$ 1,260,377	$ 1,075,494	$ 594,110	$ 10,122,163

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

GUADALUPE CENTER, INC.

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

(With Comparative Totals for 2022)

CASH FLOWS FROM OPERATING ACTIVITIES:	2023	2022
Change in net assets	$ 4,358,090	$ (634,995)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Non-cash investment fees	52,809	45,881
Depreciation	802,392	358,529
Changes in:		
Grants receivable	(22,817)	(48,462)
Other receivable	(470)	60,585
Unconditional promises to give	429,170	1,125,500
Thrift shop inventory	(4,309)	(17,560)
Prepaid expenses	81,303	(48,497)
Deposits	(1,474)	(3,000)
Right of use - Asset	(616,254)	-
Right of use - Liability	625,915	-
Accounts payable and accrued expenses	(129,750)	(1,018,470)
Net cash used by operating activities	5,574,605	(180,489)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends reinvested	(240,547)	(210,363)
Purchases of investments	(3,075,000)	(2,539,637)
Net, proceeds from sale of investments	2,339,701	1,532,419
Purchase of property and equipment	(571,999)	(8,710,553)
Net cash used by investing activities	(1,547,845)	(9,928,134)
CASH FLOWS FROM FINANCING ACTIVITIES:	-	-
Net Change in Cash and cash equivalents	4,026,760	(10,108,623)
Cash and cash equivalents, beginning of year	7,122,128	17,230,751
Cash and equivalents, end of year	$ 11,148,888	$ 7,122,128

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

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
Guadalupe Center, Inc. (the "Center") was incorporated on March 14, 1984 as a 501(c)(3) non-profit organization. The Center commenced operations on March 29, 1984. The Center's mission is to assist in raising economic, educational and social levels of migrant and seasonal farm workers and other rural populations with interim help and long-term programs that support self-sufficiency and social change. The Center's sources of support and revenue are from contributions, grants, fundraising events, and thrift store net revenues.

Consolidation
The combined financial statements include the accounts of Guadalupe Center, Inc. and Guadalupe Center Real Estate Holdings, Inc, which are entities under common control.

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Financial Statements
The financial statements and notes are a representation of the Center's management who is responsible for their integrity and objectivity. The accounting policies conform to the basis of accounting defined above and have been consistently applied in the preparation of the financial statements.

Net Assets
Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions
All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the restriction is met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents
The Center considers as cash and cash equivalents all highly liquid investments with an initial maturity of three months or less.

Board Designated Net Assets
The Board of Directors has agreed to designate the use of certain funds for future operating contingencies.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Investments - Beneficial Interest in Assets held by Others

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividends, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts and Grants Receivable

The Center uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Bad debt expense is recognized during the period in which a specific promise to give is determined to be uncollectible. The Center's management has reviewed receivables outstanding as of June 30, 2023 and 2022, and considers them to be fully collectible. Based on this review and the Center's prior history of insignificant bad debt on receivables, the allowance for uncollectible accounts is approximately $100,000 and $94,000.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Unconditional promises to give that are expected to be collected in one year are recorded at net realizable value. Unconditional promises to give expected to be collected beyond one year are reported at the present value of the estimated cash flows using a risk-free interest rate.

Thrift Shop Inventory

Inventory consists of clothing, household goods and furniture contributed to the thrift store for resale. Inventory is recorded at the fair market value at the time of the donation.

Property and Equipment

Property and equipment additions over $1,000 are recorded at cost. Donated assets are recorded at their fair market value at the time of donation. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, as further described in Note 3. The costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

The Center reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of an asset.

Compensated Absences

The Center accumulates and records a liability for compensated absences accrued by employees. Unused personal time off has been accrued as a liability in the amount of $236,344 and $171,116 for the years ended June 30, 2023 and 2022, and is included in accounts payable and accrued expenses.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Income Taxes
The Center and its affiliate are qualified tax exempt organizations under Code Section 501(c)(3) of the Internal Revenue Code and are exempt from income taxes, except on net income derived from unrelated business activities. The Center and it's affiliate have no revenues derived from unrelated business activities; accordingly, no provision for income taxes has been made. The Center follows the income tax standard for uncertain tax positions and, as a result, has evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2023 and 2022.

Estimates
The preparation of 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.

Revenue Recognition
Revenue is recognized when earned. Support from federal and other grants is recorded based upon the terms of the grantor allotments, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Early Childhood Education grants are recognized monthly during the program period as related expenses are incurred.

Thrift Shop revenue is recognized when collected at the point of sale.

Donated Services and in-Kind Contributions
Donations of tangible personal property to the Center's thrift store are recorded at fair value.

The fair value of contributed space is recorded as restricted when the Center initially enters into a lease allowing the free use of facilities. When the Center meets the time restrictions in the lease agreement, the proportionate amount of the contribution is released from the restriction.

Contributions of services are recognized only if services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by the individuals possessing those skills, and would typically be purchased if not provided by donation. The Center received contributions of services totaling $86,677 and $98,976 for the years ended June 30, 2023 and 2022, included in contributions revenue.

Additionally, volunteers have made significant contributions of their time in furtherance of the Center's mission. These services were not reflected in the accompanying statement of activities because they do not meet the necessary criteria for recognition under US GAAP.

Promotional Costs
Promotional costs are expensed as incurred and approximated $160,000 and $116,000 during the years ended June 30, 2023 and 2022.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Expense Allocation

The costs of providing program, management and fundraising activities have been summarized on a functional basis in the combined Statement of Activities and in the combined Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The majority of the Center's expenses are directly related to specific functions and are charged accordingly. Primarily payroll and related benefits and certain other costs are allocated based on estimates of usage.

Leases

The Center leases various office space, and equipment. The Center determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets - operating and lease liability - operating on the balance sheet. ROU assets represent the Center's right to use an underlying asset for the lease term and lease liabilities represent the Center's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Center has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases will not be included as lease liabilities or ROU assets on the balance sheet.

Individual lease contracts may not provide information about the discount rate implicit in the lease. In these instances, the Center has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liabilities.

The Center has elected not to separate nonlease components from lease components and instead will account for each separate lease component and the nonlease component as a single lease component.

Reclassifications

Certain accounts in the prior year combined financial statements have been classified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no impact on the company's results of operations.

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 balance sheet date, comprise the following:

Cash and cash equivalents	$ 11,148,888
Beneficial interest in assets held by the Community Foundation	8,810,645
Grants receivable	271,634
Other receivable	2,552
Unconditional promises to give, net	2,242,111
Total financial assets	22,475,830

NOTE 2 - LIQUIDITY AND AVAILABILITY - continued

Less those unavailable for general expenditures within one year, due to:

Less net assets with purpose restrictions and designated contigency fund	(4,145,229)
Less perpetually restricted assets	(2,286,516)
	(6,431,745)
Financial assets available to meet cash needs for general expenditures within one year	$ 16,044,085

Although the Center does not intend to spend funds from the board-designated contingency fund, which at June 30, 2023 totaled $1,908,755, this amount could be made available subject to board approval in order to fund operations, if necessary.

NOTE 3 - PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following as of June 30:

	2023	2022
Land	$ 2,014,658	$ 1,814,658
Building and improvements	23,727,760	23,405,161
Leasehold improvements	221,964	221,964
Furniture and fixtures	1,079,807	1,357,395
Vehicles	127,947	127,947
Playground	824,749	824,749
	27,996,885	27,751,874
Less accumulated depreciation	(4,228,170)	(3,773,437)
Total	$ 23,768,715	$ 23,978,437

Depreciation expense for the years ended June 30, 2023 and 2022 was $802,392 and $358,529.

NOTE 4 - INVESTMENT RETURN

Investment return, consists of the following for the years ended June 30:

	2023	2022
Interest & dividends	$ 335,611	$ 275,435
Net realized gains(losses)	357,324	151,799
Net unrealized gains(losses)	657,147	(1,627,373)
	$ 1,350,082	$ (1,200,139)

Investment expense for the years ended June 30, 2023 and 2022 was $52,817and $46,039. Investment expense is included in the functional expense allocation.

NOTE 5 - FAIR VALUE MEASUREMENTS

The Center measures fair value as set forth in the Statement of Financial Accounting Standard FASB ASC 820, "Fair Value Measurements." FASB ASC 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The following are the major categories of assets measured at fair value on a recurring basis during the year ended June 30:

	2023	
	Fair Value	Level 3
Pooled investment funds at Community Foundation	$ 8,810,645	$ 8,810,645

	2022	
	Fair Value	Level 3
Pooled investment funds at Community Foundation	$ 7,887,604	$ 7,887,604

See note 6 for summary of changes in the fair value of the Center's level 3 assets.

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Community Foundation of Collier County ("CFCC") and the Southwest Florida Community Foundation ("SWFLCF") maintains multiple agency endowments ("Endowed Scholarship Fund", "Endowed Scholarship Fund Perm. Restricted", "Endowed Scholarship Fund Unused in Rest.", "Capital Campaign Endowment") for the benefit of the Center. CFCC also maintains a "contingency fund" and a "Non-Endowed Scholarship Fund". The Center has granted CFCC's Board of Directors variance power which gives CFCC the power to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgement of CFCC's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The invested assets are subject to CFCC, SWFLCF investment and spending policies. Invested assets are reported at fair value in the statements of financial position. Changes in the value of assets held by CFCC and SWFLCF are reported as investment income in the statements of activities.

Assets held by CFCC are managed by Crewcial Partners and assets held by SWFLCF are managed by SEI Investment Company.

The changes in the "agency endowment funds" for the years ended June 30 are as follows:

	2023	2022
Community Foundation endowment funds, beginning balance	$ 7,887,604	$ 6,715,884
Purchases	-	2,539,637
Redemptions	(150,000)	(8,694)
Total gains or losses (realized/unrealized) included in earnings	999,080	(1,523,723)
Interest and dividends	126,778	210,364
Investment management fees	(52,817)	(45,864)
Community Foundation endowment funds, ending balance	$ 8,810,645	$ 7,887,604

NOTE 7 - LAND AVAILABLE FOR SALE

The Center purchased land with intent to use it for operations. Subsequently, the Center made the determination to sell the land. The land is being carried at cost, as it is lower than the estimated market value as of June 30, 2023.

NOTE 8 - SPECIAL EVENTS

The Center conducts special events each year. Special event revenues and expenses consisted of the following for the years ended June 30:

	2023		
	Signature Event	Golf Tournament	Total
Revenue	$ 1,459,133	$ -	$ 1,459,133
Less: Expenses	(324,150)	-	(324,150)
Special event income, net	$ 1,134,983	$ -	$ 1,134,983

NOTE 8 - SPECIAL EVENTS - continued

	2022		
	Signature Event	Golf Tournament	Total
Revenue	$ 1,213,176	$ 48,532	$ 1,261,708
Less: Expenses	(186,168)	(15,587)	(201,755)
Special event income, net	$ 1,027,008	$ 32,945	$ 1,059,953

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Center maintains accounts at financial institutions in bank deposits which, at times, may exceed federally insured limits of $250,000. At June 30, 2023, the Center's uninsured cash balance totaled approximately $3,300,000.

NOTE 10 - DONATED USE OF PROPERTY

The Center has a lease agreement for office space. The current fair market value of rent in the area is approximately $21-$26 per square foot. Under the terms of the lease, the Center currently pays rent at a discounted rate of $13 per square foot and it is responsible for payment of its pro rata share of common area maintenance of the office complex. During the year ended June 30, 2023, restricted in-kind contribution of $7,446 was recorded to recognize the value of the reduced rent received over the term of the lease. As of June 30, 2023, $22,344 remained in net assets with donor restrictions for future use.

NOTE 11 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following as of June 30, 2023:

Unconditional promises to give	$ 2,921,817
Less: discounts to net present value	(579,408)
Less: allowance for uncollectible promises to give	(100,298)
Net unconditional promises to give	$ 2,242,111

Unconditional promises to give to be collected in less than one year are recorded at face value. Unconditional promises to give to be collected after one year are recorded at the present value using a discount rate ranging from from 1.22% to 5.5%.

Less than one year	$ 1,043,988
One to five years	741,629
Six to ten years	483,000
More than ten years	653,200
	$ 2,921,817

NOTE 12 - NET ASSETS

Net assets without donor restrictions consisted of the following as of June 30, 2023:

Undesignated	$ 8,827,472
Board designated - contingency	1,908,756
Designated for property and equipment	18,466,765
	$ 29,202,993

The Board has established a contingency fund. Subject to board approval principal and interest from the contingency fund may be used to sustain normal operations of the Center should any shortfalls arise.

Net assets with donor restrictions consisted of the following as of June 30, 2023:

Specific purpose:	
Building Fund	$ 707,549
Scholarships	879,012
Development - planned giving	3,524
Back to school supplies	39,022
Holiday gift shop	14,871
Endowment earnings - scholarships	592,496
Total specific purpose	2,236,474
Passage of time:	
Building fund promises to give	23,863
Capital campaign promises to give	2,242,111
Designated capital campaign for time	3,460,066
In-kind rent	22,343
Total passage of time	5,748,383
Perpetual:	
Endowment	2,286,516
Total net assets with donor restrictions	$ 10,271,373

NOTE 13 - ENDOWMENT

The Center has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As of June 30, 2023, there were no such donor stipulations. As a result of this interpretation, the Center retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Center in a manner consistent with the standard prudence prescribed by FUPMIFA.

The Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund: (a) the duration and preservation of the various funds, (b) the purposes of the Center and the donor-restricted endowment funds, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the Center, and (g) the Center's investment policies appreciation of investments, (h) other resources of the Center, and (i) the Center's investment policies.

The composition of endowment net assets and the changes in endowment net assets are as follows for the year ended June 30, 2023:

	Without Donor Restrictions	Perpetual Restrictions	Temporary Restrictions	Total
Balance - July 1, 2022	$ 1,677,338	$ 2,286,516	$ 385,517	$ 4,349,371
Investment gain(loss), net	231,418	-	206,979	438,397
Contributions	-	-	-	-
Balance - June 30, 2023	$ 1,908,756	$ 2,286,516	$ 592,496	$ 4,787,768

NOTE 13 - ENDOWMENT - continued

The endowment net assets without donor restrictions have been designated by the Board to provide income for various capital initiatives, including but not limited to new innovative programs and/or land and building. The Board has the option to withdraw up to 4% of the value of the endowment fund based on a three-year rolling average of successive quarter-end balances, determined as of the last day of the previous calendar year, in equal quarterly installments, at the recommendation of the Board. Income from the endowment fund may be used for normal operations and principal may be used to make the 4% withdrawal. Additional principal may be used for normal operations, at the discretion of the Board. The endowment net assets with donor restrictions have been established to provide scholarships for students who were part of the Center's Tutor Corps Program and are enrolled as full-time students in a college or university pursuing an academic degree. Contributions to the endowment fund are subject to the donor's restriction that stipulate the original principal of the gift is to be held and invested by the Center indefinitely and income from the fund is to be expended to support scholarships. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Center has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide its scholarship fund with current income. Endowment assets are invested into pooled funds at CFCC. The Center seeks to build endowment assets through additional contributions. The Center has a policy of appropriating for distribution the endowment funds investment income that is not permanently restricted. The spending policy for the endowment will be the policy set forth and approved by the Board as in effect from time to time which is currently the 4% average of 12 rolling quarters of the value of the endowment fund.

NOTE 14 - EMPLOYEE BENEFIT PLAN

The Center has established a defined contribution plan (the "Plan") under IRC Section 401(k) for eligible employees. Employees are eligible to participate in the Plan if they are 21 years of age and work at least 1,000 hours per year. The Center matches up to 4% of employee wages based upon the employee contributing up to 5% of their income. For the years ended June 30,2023 and 2022, the Center contributed $98,170 and $84,410 in matching contributions.

NOTE 15 - SCHOLARSHIPS

The Center sponsors a tutor scholarship program which allows tutors to accrue scholarship money for use in their undergraduate studies. The program requires students to meet various conditions to earn and utilize scholarship funds. This program is considered to be the last source of funding and it is incumbent on the students to provide the required documentation to receive funding. Management performs an annual analysis to determine an estimated liability for the scholarships and has recorded $1,259,872 as a current liability.

NOTE 16 - CONTINGENCIES

Grant funds received and disbursed by the Center are for specific purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, management does not believe such disallowances, if any, would have a material effect on the financial position of the Center.

NOTE 17 - RELATED-PARTY TRANSACTIONS

At June 30, 2023 and 2022, The Center received $881,588 and $761,000 in contributions from members of the board of directors.

NOTE 18 - NEW MARKET TAX FINANCING

In November 2020, the Center entered into a series of debt transactions to access additional funds through the New Market Tax Credit program ("NMTC") . The funds were used to assist in funding the renovation and development of a vacant building to add six critically needed classrooms located at the Monaghan Property and the construction and development of a new building located at the Van Otterloo Property containing twelve classrooms and dedicated space for educational programs.

The NMTC Program permits taxpayers to claim federal tax credits for making Qualified Equity Investments ("QEI") in a designated Community Development Entity ("CDE"). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments ("QLICIs"). The tax credits are claimed over a seven-year period. The Center and it's affiliated company has partnered with an investor, The Northern Trust Company ("Investor") to utilize the NMTC Program. The Investor established a qualified equity investment fund ("QEI"), TNT-Guadalupe NMTC Fund, LLC. (the "Investment Fund") to raise the capital for the transaction. The Investment Fund was funded with $8,251,617 equity from the Investor and $10,473,050 loan ("NMTC Leverage Loan") from Guadalupe Center.

The loan receivable from TNT-Guadalupe NMTC Fund, LLC accrues interest at a fixed rate of 1.00%. Starting in November 2020, interest-only payments are due quarterly over the first seven years ("Compliance Period"). Commencing with the March 2028 quarterly payment, the QEI will be required to make quarterly principal and interest payments through the maturity date of December 1, 2054. The outstanding principal balance was $10,473,050 at June 30, 2023. Interest income related to this note was $104,730 for the year ended June 30, 2023.

The capital raised by the Investment Fund was used to make $8,500,000 QEI in a CDE called TRF NMTC Fund XLIX L.P., a wholly owned subsidiary of the Investment Fund. The CDE then loaned these funds to Guadalupe Center Real Estate Holdings, Inc. an affiliated company in the form of two loans.

The capital raised by the Investment Fund was used to make $7,500,000 QEI in a CDE called PCG Sub CDE 9 LLC., a wholly owned subsidiary of the Investment Fund. The CDE then loaned these funds to Guadalupe Center Real Estate Holdings, Inc. an affiliated company in the form of two loans.

After the Compliance Period, the Investor will exit the transaction through the exercise of an option agreement which it has entered into with the Center. Under the agreement, the Investor will transfer its interest in the Investment Fund to the Center for a purchase price of $1,000 plus any applicable fee's and taxes at the end of the Tax Credit Investment Period. The Center and it's affiliated company will realize its savings from the NMTC transactions through the exercise of this option, at which time it will control the Investment Fund and can effectively forgive the notes payable.

NOTE 18 - NEW MARKET TAX FINANCING - continued

In 2020, the Center and it's affiliated company obtained financing in an agreement structured under the New Market Tax Credit program ("NMTC"). This program, enacted by Congress as part of the Community Renewal Tax Relief Act of 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making a qualified equity investment ("QEI") in qualified community development entities ("CDEs"). The CDE used substantially all of each QEI to make qualified low-income community investment ("QLICI") loans on favorable terms to the affiliate company as a qualified active low-income community business ("QALICB").

The affiliated company has outstanding balances on the notes at June 30, 2023 are as follows:

Loan A	$	8,500,000
Loan B		7,275,000
	$	15,775,000

The loans made to the affiliated company by the CDE have a maturity date of December 2054 and accrue interest at 1.172% per annum. Payments are due quarterly and began on November 19, 2020.

Only interest is paid during the Compliance Period. Thereafter, the loans are amortized with principal and interest payments required through the maturity dates December 1, 2054.

The loans are collateralized by essentially all of the assets of the Center.

NOTE 19 - ADOPTION OF NEW ACCOUNTING STANDARDS

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Center adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available.

The Center has elected to adopt the package of practical expedients available in the year of adoption. The Center has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Centers ROU asset.

NOTE 19 - ADOPTION OF NEW ACCOUNTING STANDARDS - continued

As a result of the adoption of the new lease accounting guidance, the Center recognizes on July 1, 2022, lease liabilities totaling $ 707,557. The liabilities, which represents the remaining operating lease payments of $674,197. for building leases, discounted using the Center's incremental borrowing rate of 4.13%, and right-of-use assets totaling $ 707,557.

The standard has a material impact on the balance sheet but did not have a material impact on the statement of activities, expenses and changes in fund balances or the statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

NOTE 20 - LEASE OBLIGATIONS

The Center has various office equipment and property leases expiring between 2024 and 2028. In the normal course of business, it is expected that the leases will be renewed or replaced by similar leases.

Lease Cost:		
Operating Lease Costs	$	109,111
Total Lease Cost	$	109,111
Other Information:		
Operating Cash Flows from Operating Leases	$	9,661
Right-of-Use Asset Obtained in Exchange for New Operating Lease Liability	$	707,557
Weighted-Average Discount Rate - Operating Leases		4.13%

The future minimum lease payments required are as follows:

Year Ending Jume 30,		Amount
2024	$	301,510
2025		292,541
2026		249,891
2027		236,979
2028		125,336
	$	1,206,257

Rent expense, including common area maintenance fees for the years ended June 30, 2023 and 2022 totaled $471,160 and $466,839, respectively.

NOTE 21 - PRIOR YEAR FINANCIAL STATEMENTS

The prior year summrized comparative information has been derived from Center's combined financial statements for the year ended June 30, 2022. The combined financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjuction with the Center's combined financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year combined financial statements.

NOTE 22 - SUBSEQUENT EVENTS

Subsequent events were evaluated through Decemver 14, 2023 which is the date the financial statements were available to be issued. As of November 29, 2023 the Carver Street Land with a net book value of $204,238 is under contract for sale for approximately $1,800,000, with an expected closing date of 12/31/2023. The sale is pending completion of the buyers due diligence process.