

CENTRO TYRONE GUZMAN

Minneapolis, MN

Financial Statements
For the Years Ended
December 31, 2017 and 2016

ROMER & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

CENTRO TYRONE GUZMAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Centro Tyrone Guzman
Minneapolis, MN

We have audited the accompanying financial statements of Centro Tyrone Guzman, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centro Tyrone Guzman as of December 31, 2017 and 2016, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 14 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Romer & Company, PC

Romer & Company, PC
Minneapolis, MN
April 27, 2018

CENTRO TYRONE GUZMAN
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	\$ 285,121	\$ 125,930
Grants Receivable	142,312	120,540
Accounts Receivable	10,860	27,033
Prepaid Expenses	13,966	6,912
Total Current Assets	452,259	280,415
<i>Noncurrent Assets</i>		
Land	104,000	104,000
Buildings and Improvements	767,174	777,766
Furniture, Equipment and Vehicles	328,183	336,295
Less: Accumulated Depreciation	(644,259)	(621,356)
Total Noncurrent Assets	555,098	596,705
TOTAL ASSETS	\$ 1,007,357	\$ 877,120
LIABILITIES		
<i>Current Liabilities</i>		
Accounts Payable	\$ 17,273	\$ 7,936
Accrued Expenses	41,546	18,413
Total Current Liabilities	58,819	26,349
TOTAL LIABILITIES	58,819	26,349
NET ASSETS		
Unrestricted	765,325	759,697
Temporarily Restricted	183,213	91,074
Permanently Restricted	-	-
TOTAL NET ASSETS	948,538	850,771
TOTAL LIABILITIES AND NET ASSETS	\$ 1,007,357	\$ 877,120

See accompanying notes.

**CENTRO TYRONE GUZMAN
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
SUPPORT AND REVENUE								
Grants	\$ 841,104	\$ 183,213	\$ -	\$ 1,024,317	\$ 816,080	\$ 48,543	\$ -	\$ 864,623
Contributions	40,056	-	-	40,056	34,601	-	-	34,601
Rental Income	-	-	-	-	150	-	-	150
In-kind	3,199	-	-	3,199	7,930	-	-	7,930
Interest	223	-	-	223	31	-	-	31
Program Service Fees	88,678	-	-	88,678	72,859	-	-	72,859
Loss on Disposal of Fixed Assets	(8,484)	-	-	(8,484)	-	-	-	-
United Way	443,676	-	-	443,676	464,713	-	-	464,713
	1,408,452	183,213	-	1,591,665	1,396,364	48,543	-	1,444,907
NET ASSETS RELEASED FROM RESTRICTIONS	91,074	(91,074)	-	-	113,236	(113,236)	-	-
TOTAL SUPPORT AND REVENUE	1,499,526	92,139	-	1,591,665	1,509,600	(64,693)	-	1,444,907
EXPENSES								
Program Services	1,336,006	-	-	1,336,006	1,328,993	-	-	1,328,993
Management and General	121,616	-	-	121,616	93,909	-	-	93,909
Fundraising and Events	36,276	-	-	36,276	49,630	-	-	49,630
TOTAL EXPENSES	1,493,898	-	-	1,493,898	1,472,532	-	-	1,472,532
CHANGE IN NET ASSETS	5,628	92,139	-	97,767	37,068	(64,693)	-	(27,625)
NET ASSETS AT BEGINNING OF YEAR	759,697	91,074	-	850,771	722,629	155,767	-	878,396
NET ASSETS AT END OF YEAR	\$ 765,325	\$ 183,213	\$ -	\$ 948,538	\$ 759,697	\$ 91,074	\$ -	\$ 850,771

See accompanying notes.

CENTRO TYRONE GUZMAN
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	<u>\$ 97,767</u>	<u>\$ (27,625)</u>
Adjustments to Reconcile to Net Cash Provided/(Used) by Operating Activities:		
Depreciation and Amortization	37,323	40,277
Loss on Disposal of Fixed Assets	8,484	-
(Increase)/Decrease in Current Assets:		
Grants Receivable	(21,772)	118,032
Accounts Receivable	16,173	(25,089)
Prepaid Expenses	(7,054)	(4,974)
Increase/(Decrease) in Current Liabilities:		
Accounts Payable	9,337	494
Accrued Expenses	<u>23,133</u>	<u>(10,775)</u>
Total Adjustments	<u>65,624</u>	<u>117,965</u>
Net Cash Provided/(Used) by Operating Activities	<u>163,391</u>	<u>90,340</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Furniture, Equipment and Improvements	<u>(4,200)</u>	<u>(5,014)</u>
Net Cash Provided/(Used) by Investing Activities	<u>(4,200)</u>	<u>(5,014)</u>
NET INCREASE/(DECREASE) IN CASH	159,191	85,326
CASH AT BEGINNING OF YEAR	<u>125,930</u>	<u>40,604</u>
CASH AT END OF YEAR	<u>\$ 285,121</u>	<u>\$ 125,930</u>
SUPPLEMENTAL INFORMATION:		
Services Acquired through Donations	\$ 3,199	\$ 7,930

See accompanying notes.

CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 – THE ORGANIZATION

Centro Tyrone Guzman is a nonprofit, 501(C) (3) tax-exempt organization. The Organization was incorporated February 1, 1974 as a Minnesota nonprofit corporation. Centro Tyrone Guzman is committed to the wellbeing of Latino families through providing a holistic approach to education, health, and wellness. The Organization is supported by local, federal and foundation grants along with private donors to provide resources for low-income Latino families in Minneapolis and the Twin Cities metro area. Over 6,000 individuals receive services annually through the Organization's Education and Health & Wellness departments, which serve all ages, from newborns to elders. Programs are developed to reflect the needs of the families and are designed to address issues that affect individual well-being. In addition to the main Education and Health and Wellness departments as described below, the Organization has an Information Center and hosts cultural events.

- The Information Center provides service 5 days a week to support immediate needs of individuals and families by connecting clients to available services ranging from education, medical/mental health, domestic violence prevention and intervention services, emergency food, or other needs.
- Centro's Cultural Events provide a community gathering point to sustain the beauty and power of the Latino culture in the Twin Cities metro area and to re-awaken/support the cultural and spiritual strengths of the Latino community. The Organization hosts annual cultural events including Family Day, Day of the Dead and Christmas Party.

EDUCATION DEPARTMENT

The goal of the education department is to promote literacy skills and increased access to education for low-income Latino families. The department serves students from the age of 33 months in Siembra Montessori Early Learning Center to adults in the adult literacy programs. The White House Initiative on Educational Excellence for Hispanics has recognized Centro Tyrone Guzman as one of 230 Bright Spots in Hispanic Education. We have been honored to be chosen for a distinguished list of organizations across the country.

**CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 – THE ORGANIZATION (cont.)

PROGRAMS:

- **Siembra Montessori Early Learning Center**

Siembra Montessori is a licensed and nationally accredited, Spanish/English, dual-language Montessori learning center for children ages 3-6. The mission of Siembra Montessori is to support the academic and social development of Latine children living in and near Minneapolis by providing a high-quality, dual-language, Montessori learning environment that inspires children to become independent, responsible and engaged learners and community members. Siembra has received the highest quality ratings both nationally and locally, through accreditation by the National Association for the Education of Young Children, and through a four-star Parent Aware rating (out of four possible stars).

- **Be@School**

Centro Tyrone Guzman partners with the Hennepin County Attorney's Office and Minneapolis Public Schools to increase school attendance. Children and their parents / caregivers, obtain information, resources and are connected with partner agencies to support academic achievement.

- **Raíces Youth Development program** – Raíces works with Latine youth in grades 7–12 through a broad range of holistic in-school and out-of-school programs emphasizing academic support, personal and cultural identity, health and wellness, and leadership development. The program's goal is to promote healthy behaviors, strengthen families and support youth to achieve a successful future.

- **Raíces After – School Program**

The program curriculum integrates cultural values with organized activities to promote academic success. Focuses include problem solving strategies, conflict resolution, leadership skills, and healthy relationships.

CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 – THE ORGANIZATION (cont.)

○ **Raíces In – School Program**

Staff partners with schools that would like to participate in the “Raíces In School Program”. Raíces staff meets with school staff to develop activities based on the needs and interests of Latine students. From these discussion a set of topics and activities are constructed. Students and the Raíces staff meet once a week to develop solutions to the challenges that are faced in the school, home and in the community.

● **Adult Literacy**

Staff help adult learners who have not graduated from primary or secondary school to earn their diplomas in the Spanish language. Program partners include the Mexican Consulate, the Institute of Mexicans in the Exterior, CONEVyT, and EDUCAMEXUS

● **Digital Center**

Programming is designed to increase access to opportunities to learn about digital media technology and use technology to make a positive difference in the lives of Latines of all ages. Through our youth podcast project, teens embraced their identity, engaged in their community and are preparing themselves for academic and career success.

HEALTH AND WELLNESS DEPARTMENT

Centro Tyrone Guzman offers a diverse range of wellness programs that provide a continuum of care in a culturally affirming environment that nourishes the heart, mind, body, and spirit. The key programs are described below.

CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 – THE ORGANIZATION (cont.)

- **Family Nutrition Program**

The program is designed to expand access to healthy foods for Latine children and youth, while providing information and tools that help Latino families adopt healthier eating habits at home. The program integrates research-based strategies into a hands-on nutrition education program specifically designed for Latino families in partnership with University of Minnesota Extension. Parents/caregivers increase their understanding of the importance of early childhood nutrition and learn new skills and recipes for preparing healthy meals.

- **Maternal and Child Health – *Pequeño Mundo***

The Maternal Health program provides on-going support to pregnant Latinas so they have a healthy pregnancy, are supported to deliver a healthy baby, and enjoy a healthy postpartum period in an environment that supports the physical and emotional needs of the mother, baby, and family. Our wide-range of support services include prenatal OB/GYN care provided through Centering Pregnancy in partnership with Hennepin County; self-esteem classes; car seat education/give-away; workshops on issues critical to the health of Latina pregnant women (such as HIV/AIDS and gestational diabetes); and post-natal information sessions.

- **Nosotras – Women’s Programs**

Through Nosotras, Latinas and their families access health care services that support their optimal health. We offer a coordinated, intergenerational system of culturally-sensitive education, and support. In partnership with local health care providers, the programs address the complicated barriers that prevent low-income Latinos from truly receiving the health care services they need. Staff help with health insurance enrollment and facilitate workshops with a strong focus on preventive self-care.

**CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 – THE ORGANIZATION (cont.)

Wise Elders

Centro's Wise Elders provides culturally and linguistically responsive services to support the holistic health and independent living of Latine seniors. The program provides individualized case management, health, social, educational, and recreational activities, including innovative programs, such as Traditional Medicine and Intergenerational Dance Hall activities. Elders participate in exercise activities, intergenerational gardening, and Family Health Days. Staff facilitate the evidence based programs: *Tomando Control de su Salud* (Chronic Disease Self Management Program) and Tai Ji Quan - Moving for a Better Balance.

- **Wise Elders Families**

The program actively engages community members in creating and sustaining an informed, safe, and respectful environment that supports the health and well-being of individuals with Alzheimer's disease and other types of dementia. All caregivers accessed new resources and strengthened peer support networks.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization were prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Equipment and Depreciation

Buildings and equipment costing more than \$500 are recorded at cost or in the case of contributed property at the fair market value at the date of contribution. Depreciation is computed using the straight-line method over estimated useful lives of five years for equipment and seven to forty years for buildings and leasehold improvements. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred. Depreciation expense for the years ended December 31, 2017 and 2016 was \$37,323 and \$40,277, respectively.

CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

Centro Tyrone Guzman, is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The State of Minnesota accepts this classification.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. In accordance with GAAP for non-profit organizations, the Organization adopted the accounting policy of recognizing in unrestricted support, donor-restricted contributions whose restrictions are met in the same reporting period.

Donated Services and Materials

In accordance with GAAP for non-profit organizations, contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized on a functional basis. Accordingly, certain costs have been allocated between program and the supporting services benefited.

Use of 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. The most critical estimates are for the allowance for doubtful accounts, the functional allocation of expenses, economic useful lives of land, buildings and equipment and the assumptions used in the impairment analysis of long-lived assets.

**CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Allowance for Doubtful Accounts

No Allowance for Doubtful Accounts has been provided for since the management of the Organization expects all receivables to be collected. The Organization uses the direct write-off method to account for uncollectible Accounts Receivable, whereby accounts are written-off as uncollectible when that determination has been made.

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets arise from either a program restriction or a time restriction established by the donor. Temporarily Restricted Net Assets consist of the following at December 31:

	2017	2016
Cash - Program Restrictions	\$ 162,913	\$ 40,808
Grants Receivable - Program Restrictions	20,300	50,266
Total Temporarily Restricted Net Assets	\$ 183,213	\$ 91,074

NOTE 4 – PERMANENTLY RESTRICTED NET ASSETS

Permanently Restricted Net Assets arise from investments in perpetuity, in which only the income is expendable to support a donor intended purpose. At December 31, 2017 and 2016, the Organization did not have any Permanently Restricted Net Assets.

NOTE 5 – LINE OF CREDIT

The Organization has arrangements for a \$237,500 line of credit with a local bank. Interest is equal to an annual rate of 2.0% over the Bloomberg prime rate. The Bloomberg prime rate at December 31, 2017 was 4.5%. The note is secured by substantially all assets of the Organization. At December 31, 2017 and 2016 there was no outstanding balance on this line of credit.

**CENTRO TYRONE GUZMAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 6 – ART COLLECTION

The Organization maintains a collection of artwork that has not been capitalized and has an estimated value of approximately \$39,000.

NOTE 7 – DONATED EQUIPMENT AND SERVICES

The Organization received donated personal services from a variety of unpaid volunteers who assist the Organization in providing program services. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer efforts under US GAAP have not been satisfied. However, a substantial number of volunteers have donated significant amounts of their time immeasurably enhancing the services provided to program participants.

The Organization received services valued at \$3,199 and \$7,930 during the years ended December 31, 2017 and 2016, respectively.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

During 2017 and 2016, the Organization received a substantial portion of its public support to carry on its program activities from the United Way.

The Organization maintains checking accounts in one bank. Cash in this account may at times exceed \$250,000. The checking accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 9 – DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through April 27, 2018, the date the financial statements were available to be issued.

**CENTRO TYRONE GUZMAN
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017				2016			
	Program Services	Management and General	Fundraising and Events	TOTAL	Program Services	Management and General	Fundraising and Events	TOTAL
Salaries	\$ 830,451	\$ 72,952	\$ -	\$ 903,403	\$ 823,292	\$ 45,740	\$ 15,644	\$ 884,676
Payroll Taxes and Benefits	133,896	7,015	-	140,911	111,035	26,642	2,124	139,801
TOTAL PERSONNEL EXPENSE	964,347	79,967	-	1,044,314	934,327	72,382	17,768	1,024,477
Advertising	-	-	-	-	87	-	-	87
Equipment Rental and Maintenance	4,059	-	-	4,059	14,584	-	-	14,584
Food and Beverage	46,850	-	132	46,982	54,046	-	25	54,071
Insurance	14,118	3,920	-	18,038	17,238	904	-	18,142
Miscellaneous	1,560	293	-	1,853	12,775	300	1,650	14,725
Occupancy	101,028	2,131	-	103,159	99,413	4,149	397	103,959
Postage and Shipping	317	-	101	418	923	-	357	1,280
Printing and Publication	338	-	1,193	1,531	1,720	-	1,125	2,845
Professional Services	72,463	21,650	27,909	122,022	75,780	12,108	25,420	113,308
Shared Program Cost Allocation	(13,950)	9,956	3,994	-	-	-	-	-
Software and Small Equipment	7,802	1,621	1,388	10,811	8,342	221	2,149	10,712
Office and Program Expenses	37,006	1,907	1,465	40,378	22,743	1,610	701	25,054
Telephone	11,065	171	-	11,236	7,290	2,171	38	9,499
Training, Conferences and Travel	51,680	-	94	51,774	39,448	64	-	39,512
Depreciation	37,323	-	-	37,323	40,277	-	-	40,277
TOTAL EXPENSES	\$ 1,336,006	\$ 121,616	\$ 36,276	\$ 1,493,898	\$ 1,328,993	\$ 93,909	\$ 49,630	\$ 1,472,532