

CORE/EL CENTRO, INC.

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CORE/EI Centro, Inc.
Milwaukee, Wisconsin

We have audited the accompanying financial statements of CORE/EI Centro, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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

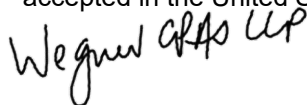
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 CORE/EI Centro, Inc. as of December 31, 2020 and 2019, 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.



Wegner CPAs, LLP
Waukesha, Wisconsin
July 22, 2021

CORE/EL CENTRO, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 352,131	\$ 176,498
Accounts receivable	29,162	44,329
Unconditional promises to give	131,079	126,683
Prepaid expenses	1,911	11,088
Total current assets	514,283	358,598
LEASEHOLD IMPROVEMENTS AND EQUIPMENT		
Leasehold improvements	428,683	428,683
Office equipment	37,264	64,588
Therapy equipment	2,941	12,039
Total leasehold improvements and equipment	468,888	505,310
Less accumulated depreciation	(220,706)	(231,587)
Leasehold improvements and equipment, net	248,182	273,723
OTHER ASSETS		
Beneficial interest in assets held by Greater Milwaukee Foundation	260,529	222,760
Total assets	<u>\$ 1,022,994</u>	<u>\$ 855,081</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 18,602	\$ 21,041
Accrued payroll	39,080	34,875
Accrued interest	2,471	-
Unredeemed gift certificates	987	847
Capital lease payable	-	235
Current portion of loans payable	13,616	13,056
Total current liabilities	74,756	70,054
LONG-TERM LIABILITIES		
Loans payable less current portion	81,824	95,440
Economic Injury Disaster loan	150,000	-
Total long-term liabilities	231,824	95,440
Total liabilities	306,580	165,494
NET ASSETS		
Without donor restrictions	423,884	295,448
With donor restrictions	292,530	394,139
Total net assets	716,414	689,587
Total liabilities and net assets	<u>\$ 1,022,994</u>	<u>\$ 855,081</u>

See accompanying notes.

CORE/EL CENTRO, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions						
General donations and grants	\$ 535,568	\$ 69,167	\$ 604,735	\$ 451,824	\$ 265,975	\$ 717,799
Government grants	302,245	-	302,245	29,957	-	29,957
Paycheck Protection Program assistance	136,000	-	136,000	-	-	-
Economic Injury Disaster Loan assistance	10,000	-	10,000	-	-	-
In-kind contributions	284,529	-	284,529	467,840	-	467,840
Special events (less costs of direct benefits to donors of \$25,823 for the year ended December 31, 2019)	109,270	-	109,270	123,588	-	123,588
Service revenue	75,513	-	75,513	306,193	-	306,193
Rental income	2,365	-	2,365	8,345	-	8,345
Change in value of beneficial interest in assets held by Greater Milwaukee Foundation	14,523	13,246	27,769	12,413	11,971	24,384
Other income	8,416	-	8,416	2,055	-	2,055
Total support and revenue	1,478,429	82,413	1,560,842	1,402,215	277,946	1,680,161
EXPENSES						
Program services						
Nutrition and Gardening	81,425	-	81,425	119,036	-	119,036
Children's Wellness	55,995	-	55,995	70,264	-	70,264
Community Health & Fitness	87,186	-	87,186	123,686	-	123,686
Integrative Health	801,886	-	801,886	1,060,616	-	1,060,616
Volunteer/Capacity Building	32,656	-	32,656	45,774	-	45,774
Mujeres con Poder	50,980	-	50,980	40,363	-	40,363
Total program services	1,110,128	-	1,110,128	1,459,739	-	1,459,739
Supporting activities						
Management and general	225,817	-	225,817	176,034	-	176,034
Fundraising	198,070	-	198,070	160,939	-	160,939
Total supporting activities	423,887	-	423,887	336,973	-	336,973
Total expenses	1,534,015	-	1,534,015	1,796,712	-	1,796,712
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	184,022	(184,022)	-	305,217	(305,217)	-
Expiration of time restrictions	-	-	-	2,000	(2,000)	-
Total net assets released from restrictions	184,022	(184,022)	-	307,217	(307,217)	-
Change in net assets	128,436	(101,609)	26,827	(87,280)	(29,271)	(116,551)
Net assets at beginning of year	295,448	394,139	689,587	382,728	423,410	806,138
Net assets at end of year	\$ 423,884	\$ 292,530	\$ 716,414	\$ 295,448	\$ 394,139	\$ 689,587

See accompanying notes.

CORE/EL CENTRO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services						Supporting Activities		Total Expenses
	Nutrition and Gardening	Children's Wellness	Community Health & Fitness	Integrative Health	Volunteer/ Capacity Building	Mujeres con Poder	Management and General	Fundraising	
Personnel	\$ 41,013	\$ 38,837	\$ 12,768	\$ 408,027	\$ 23,077	\$ 36,613	\$ 97,322	\$ 129,026	\$ 786,683
Professional fees	-	-	-	-	-	-	44,735	31,030	75,765
Office	1,100	905	837	16,369	529	781	6,146	2,278	28,945
Printing and publications	718	169	103	1,765	91	100	344	1,965	5,255
Postage and shipping	51	83	29	600	25	42	99	1,154	2,083
Supplies	9,857	1,803	40	56,152	17	4,545	1,335	18,049	91,798
Contracted services	15,873	4,643	8,739	256,432	1,391	8,474	20,281	4,086	319,919
Marketing and advertising	51	57	23	351	11	6	151	1,618	2,268
Occupancy	9,916	6,993	47,607	44,623	4,924	-	36,228	5,938	156,229
Insurance	529	543	305	5,426	268	370	968	1,062	9,471
Depreciation	1,621	1,143	7,783	7,295	805	-	5,923	971	25,541
Interest	455	321	2,187	2,050	226	-	1,664	273	7,176
Bad debt	-	-	-	-	-	-	5,550	-	5,550
Miscellaneous	241	498	6,765	2,796	1,292	49	5,071	620	17,332
Total expenses	\$ 81,425	\$ 55,995	\$ 87,186	\$ 801,886	\$ 32,656	\$ 50,980	\$ 225,817	\$ 198,070	\$ 1,534,015

See accompanying notes.

CORE/EL CENTRO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services						Supporting Activities			Total Expenses
	Nutrition and Gardening	Children's Wellness	Community Health & Fitness	Integrative Health	Volunteer/ Capacity Building	Mujeres con Poder	Management and General	Fundraising	Direct Benefits to Donors	
Personnel	\$ 83,237	\$ 52,118	\$ 40,199	\$ 352,919	\$ 33,879	\$ 31,783	\$ 59,830	\$ 97,091	\$ -	\$ 751,056
Professional fees	-	-	-	-	-	-	37,220	28,330	-	65,550
Office	1,173	526	523	11,642	329	-	8,589	1,302	-	24,084
Printing and publications	921	390	404	4,070	255	-	269	954	-	7,263
Postage and shipping	153	121	67	693	41	2	42	1,211	-	2,330
Supplies	7,738	1,637	70	11,398	863	1,908	147	16,844	25,823	66,428
Contracted services	10,659	5,820	19,583	612,012	2,449	5,980	24,469	5,109	-	686,081
Marketing and advertising	885	361	398	4,197	274	-	261	1,368	-	7,744
Occupancy	10,214	7,204	49,041	45,966	5,072	-	37,318	6,117	-	160,932
Insurance	1,091	529	527	5,134	328	-	326	710	-	8,645
Depreciation	1,667	1,176	8,005	7,503	828	-	6,091	998	-	26,268
Interest	333	235	1,601	1,501	166	-	1,218	200	-	5,254
Miscellaneous	965	147	3,268	3,581	1,290	690	254	705	-	10,900
Total expenses	119,036	70,264	123,686	1,060,616	45,774	40,363	176,034	160,939	25,823	1,822,535
Less expenses netted against support and revenue on the statements of activities	-	-	-	-	-	-	-	-	(25,823)	(25,823)
Total expenses included in the expenses section of the statements of activities	\$ 119,036	\$ 70,264	\$ 123,686	\$ 1,060,616	\$ 45,774	\$ 40,363	\$ 176,034	\$ 160,939	\$ -	\$ 1,796,712

See accompanying notes.

CORE/EL CENTRO, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 26,827	\$ (116,551)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Change in value of beneficial interest in assets held by Greater Milwaukee Foundation	(27,769)	(24,384)
Depreciation	25,541	26,268
Bad debt	5,550	-
(Increase) decrease in assets		
Accounts receivable	9,617	(601)
Unconditional promises to give	(4,396)	(78,173)
Payroll escrow	-	23,596
Prepaid expenses	9,177	(5,804)
Increase (decrease) in liabilities		
Accounts payable	(2,439)	9,103
Accrued payroll	4,205	(10,690)
Accrued interest	2,471	-
Unredeemed gift certificates	140	311
Net cash flows from operating activities	48,924	(176,925)
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfers to beneficial interest in assets held by Greater Milwaukee Foundation	(10,000)	(5,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Economic Injury Disaster loan	150,000	-
Draws on line of credit	45,000	60,000
Payments on line of credit	(45,000)	(60,000)
Payments on capital lease payable	(235)	(1,627)
Payments on loans payable	(13,056)	(12,522)
Net cash flows from financing activities	136,709	(14,149)
Change in cash	175,633	(196,624)
Cash at beginning of year	176,498	373,122
Cash at end of year	\$ 352,131	\$ 176,498
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 4,705	\$ 5,254

See accompanying notes.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

CORE/El Centro, Inc. (CORE) is a social-profit, bilingual, natural healing center which embraces all people and has a passion for serving those of low income. Their purpose is to make healing services accessible, to build community, and to inspire wholeness to all who desire the healing capacities of natural therapies. They are dedicated to accomplishing this by offering natural healing practices and wholistic exercises that integrate body, mind and spirit and by creating an environment that nurtures self-healing and community well-being. CORE's primary sources of revenue include contributions and grants.

Accounts Receivable

Accounts receivable primarily consist of service fees due from individuals or third party payers. Accounts receivable are reported at the amount management expects to collect from outstanding balances. As of December 31, 2020 and 2019, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Leasehold Improvements and Equipment

Leasehold improvements and equipment in excess of \$2,500 are capitalized and carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Government Grants

CORE receives grants from government agencies that are conditioned upon CORE incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by CORE, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interest in Assets Held by Greater Milwaukee Foundation

CORE's beneficial interest in assets held by Greater Milwaukee Foundation represents an agreement between CORE and the Greater Milwaukee Foundation in which CORE transfers assets to the Greater Milwaukee Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to CORE by GMF. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Paycheck Protection Program Loan

CORE received a loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. CORE expects to meet the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. CORE recognizes amounts expected to be forgiven as revenue when it incurs qualifying expenses.

Revenue Recognition

CORE provides natural healing and wellness services to individuals. Revenue from these services are recognized at a point in time when CORE provides the particular service. CORE generally bills the individual on a per hour basis at the time the services are provided. Classes provided by CORE are billed on a per class basis prior to or at the time the class is held. It is generally the policy of CORE to not refund these fees.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CORE. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Advertising Costs

Advertising costs are expensed as they are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, office, printing and publications, postage and shipping, supplies, contracted services, marketing and advertising, insurance, and miscellaneous, which are allocated on the basis of estimates of time and effort, as well as occupancy, depreciation, and interest, which are allocated on a square-footage basis. The following program services and supporting activities are included in the accompanying financial statements:

Nutrition and Gardening—For children and adults, whose services address healthy eating and nourishment. CORE's rooftop garden provides opportunities to grow, sell and educate about locally grown, fresh produce and herbs.

Children's Wellness—Provides fun, safe and creative avenues for children to explore and develop a sense of well-being - body, mind and spirit.

Community Health & Fitness—Provides a wholistic fitness program that invites participants to become attentive to their body.

Integrative Health—Offers natural healing practices in conjunction with traditional healthcare to address acute and chronic health conditions. These therapies are accessible to all.

Volunteer/Capacity Building—Volunteers are essential to CORE's programs. Sometimes clients become volunteers and find that sharing their time and skills is an important part of their healing journey and is an excellent way to grow personally and professionally.

Mujeres con Poder—Latina-led Mujeres con Poder provides events on environmental health, recycling, crime and safety, and cleaner/safer walking neighborhoods to improve Latino health.

Management and General—Includes accounting and production of financial reports, oversight of the annual budget, supervision of departments and programs, maintenance of personnel records, attending general board and committee meetings, and any other administrative and office services necessary for CORE.

Fundraising and Development—Activities to encourage and secure private financial support from individuals, foundations, and corporations.

Direct Benefits to Donors—Includes the costs of goods or services from exchange transactions at special events.

Income Tax Status

CORE is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management's Review

Management has evaluated subsequent events through July 22, 2021, the date which the financial statements were available to be issued.

NOTE 2—PAYCHECK PROTECTION PROGRAM LOAN

On April 6, 2020, CORE received a \$136,000 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA).

On November 21, 2020, the SBA preliminarily approved forgiveness of the loan. CORE must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review CORE's good-faith certification concerning the necessity of its loan request, whether CORE calculated the loan amount correctly, whether CORE used loan proceeds for the allowable uses specified in the CARES Act, and whether CORE is entitled to loan forgiveness in the amount claimed on its application. If SBA determines CORE was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 3—CONCENTRATIONS OF CREDIT RISK

CORE maintains its cash balances in one financial institution located in southeastern Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, CORE's uninsured cash balances total approximately \$118,000. At December 31, 2019, CORE's cash balances were fully insured with federal depository insurance.

NOTE 4—CONDITIONAL GRANTS

CORE has grants with the Wisconsin Department of Justice and Medical College of Wisconsin that are conditioned upon CORE incurring qualifying expenses under the grant agreements. At December 31, 2020, these conditional grants total \$243,797. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 5—ENDOWMENT

CORE's endowment consists of general endowment funds to support the mission of CORE. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5—ENDOWMENT (continued)

Absent explicit donor stipulations to the contrary, the board of directors of CORE has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund. As a result of this interpretation, CORE retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by CORE in a manner consistent with the standard of prudence prescribed by UPMIFA. From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). CORE has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

In accordance with UPMIFA, CORE considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of CORE and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of CORE, and (7) CORE's investment policies.

CORE established a fund at the Greater Milwaukee Foundation (GMF) to invest its endowment assets. The agreement between CORE and GMF states that the transfer of assets is irrevocable and that the transferred assets will not be returned to CORE. However, GMF will make annual distributions of the income earned on the fund subject to GMF's spending policy. Distributions shall be made at least annually to CORE for support of CORE's programs.

GMF's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. GMF seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, CORE relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) in accordance with GMF investment strategies.

Spending Policy: Distributions from the fund are to be made in accordance with the GMF's distribution policy. CORE reserves the right to recommend distributions greater than those set by the GMF's distribution policy if such distributions are recommended by a 70% vote of CORE's board of directors and approved by the GMF's board of directors. Principal distributions that take the fund below \$100,000 or the GMF's minimum to maintain an active fund, require 100% vote of CORE's board of directors and approval of the GMF's board of directors.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5—ENDOWMENT (continued)

Endowment net asset composition by type of fund are as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 137,166	\$ -	\$ 137,166
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	101,550	101,550
Accumulated investment gains	-	21,813	21,813
	<u>\$ 137,166</u>	<u>\$ 123,363</u>	<u>\$ 260,529</u>
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 112,643	\$ -	\$ 112,643
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	101,550	101,550
Accumulated investment losses	-	8,567	8,567
	<u>\$ 112,643</u>	<u>\$ 110,117</u>	<u>\$ 222,760</u>

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at December 31, 2018	\$ 95,230	\$ 97,896	\$ 193,126
Contributions	5,000	250	5,250
Investment return, net	12,413	11,971	24,384
	<u>112,643</u>	<u>110,117</u>	<u>222,760</u>
Endowment net assets at December 31, 2019	112,643	110,117	222,760
Contributions	10,000	-	10,000
Investment return, net	14,523	13,246	27,769
	<u>137,166</u>	<u>123,363</u>	<u>260,529</u>

NOTE 6—LINE OF CREDIT

CORE has a \$150,000 line of credit. Bank advances on the line of credit carry an interest rate of 3.75%. The line of credit matures September 6, 2021 and is unsecured. Interest expense for the year ended December 31, 2020 and 2019 was \$113 and \$71, respectively.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7—LOANS PAYABLE

CORE has a loan payable to IFF for \$165,000 that bears an interest rate of 5% through May 1, 2022 and matures on April 30, 2027. The interest rate is re-calculated every five years at the greater of the current date's yield-to-maturity of U.S. Treasury bonds plus two hundred basis points (2%), or 5%. The loan is secured by the leasehold improvements. Monthly payments of \$1,292 are due on the first of each month. The outstanding balance at December 31, 2020 and 2019 was \$84,940 and \$95,896, respectively.

CORE has a loan payable to Congregation of Sisters of St. Agnes for \$21,000 that is non-interest bearing and matures February 6, 2025. The loan is unsecured. Yearly payments of \$2,100 began February 6, 2016. The outstanding balance at December 31, 2020 and 2019 was \$10,500 and \$12,600, respectively.

Interest expense from loans payable for the years ended December 31, 2020 and 2019 was \$4,589 and \$5,008, respectively.

The future scheduled maturities of loans payable for the years ending December 31 are as follows:

2021	\$	13,616
2022		14,205
2023		14,825
2024		15,476
2025		16,160
Thereafter		21,158
	\$	95,440

NOTE 8—CAPITAL LEASES

CORE leased equipment under a capital lease that expired in January 2020. The capital lease required monthly payments of principal and interest of \$150. Interest expense for the years ended December 31, 2020 and 2019 was \$3 and \$175, respectively.

At December 31, 2020 and 2019, the equipment recorded as a capital lease has a cost of \$4,364 and accumulated depreciation of \$4,364 and \$3,636, respectively. CORE purchased the leased equipment for \$1 at the end of the lease term.

NOTE 9—ECONOMIC INJURY DISASTER LOAN

On May 30, 2020, CORE received a \$150,000 Economic Injury Disaster loan through the Small Business Administration (SBA). The note is secured by CORE's assets as collateral. The loan accrues interest at 2.75% with minimum monthly principal and interest payments of \$641. Loan payments are deferred until May 30, 2022 and the loan matures on May 30, 2050. Loan payments will first be applied to accrued interest, and the balance, if any, will be applied to the principal. Loan payments will begin to apply to the principal balance in 2024. Interest expense on the Economic Injury Disaster loan for the year ended December 31, 2020 was \$2,471.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 9—ECONOMIC INJURY DISASTER LOAN (continued)

Future minimum principal payments on the Economic Disaster Loan for the years ending December 31 are:

2021	\$	-
2022		-
2023		-
2024		1,133
2025		3,644
Thereafter		145,223
		<u>\$ 150,000</u>

NOTE 10—NET ASSETS

Net assets without donor restrictions consist of the following:

	2020	2019
Board-designated endowment	\$ 137,166	\$ 112,643
Undesignated	286,718	182,805
	<u>\$ 423,884</u>	<u>\$ 295,448</u>

Net assets with donor restrictions are restricted for the following purposes or periods:

	2020	2019
Integrative Health program	\$ 169,167	\$ 200,000
Mujeres con Poder	-	18,297
Healthy for Life Community Nutrition program	-	2,500
Recycling bins at Kosciuszko Park	-	4,890
Employment of therapists	-	58,335
Endowment		
Subject to CORE's spending policy and appropriation:		
General use	123,363	110,117
	<u>\$ 292,530</u>	<u>\$ 394,139</u>

NOTE 11—OPERATING LEASES

CORE leases building space under a non-cancellable operating lease that expires on May 31, 2023, with monthly payments of \$12,113 through December 31, 2021, \$12,480 through December 31, 2022, and \$12,852 thereafter. CORE also leases a copier under a non-cancellable operating lease that expires on March 5, 2022, with monthly payments of \$226. Rent expense for the years ended December 31, 2020 and 2019 was \$148,066 and \$144,849, respectively.

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 11—OPERATING LEASES (continued)

Future minimum lease payments for the years ending December 31 are:

2021	\$ 148,066
2022	150,208
2023	64,262

NOTE 12—DONATED SERVICES

The value of donated services recorded in the financial statements and the corresponding expenses are as follows:

	2020			
	Nutrition and Gardening	Integrative Health	Management and General	Fundraising
Personnel	\$ -	\$ 1,400	\$ 32,665	\$ 52,564
Acupuncture, massage, and bodywork services	-	153,076	-	-
Movement instructors	-	13,945	-	-
Interpreters	-	8,304	-	-
Nutrition and gardening	4,437	-	-	-
Training and business development	-	1,309	16,829	-
	<u>\$ 4,437</u>	<u>\$ 178,034</u>	<u>\$ 49,494</u>	<u>\$ 52,564</u>
	<u>Total</u>			
Personnel	\$ 86,629			
Acupuncture, massage, and bodywork services	153,076			
Movement instructors	13,945			
Interpreters	8,304			
Nutrition and gardening	4,437			
Training and business development	18,138			
	<u>\$ 284,529</u>			

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 12—DONATED SERVICES (continued)

	2019			
	Nutrition and Gardening	Community Health & Fitness	Integrative Health	Management and General
Personnel	\$ -	\$ 721	\$ 3,606	\$ 22,720
Acupuncture, massage, and bodywork services	-	-	302,093	-
Movement instructors	-	-	21,989	-
Interpreters	-	-	13,251	-
Nutrition and gardening	256	-	-	-
Training and business development	-	-	56,833	21,926
	<u>\$ 256</u>	<u>\$ 721</u>	<u>\$ 397,772</u>	<u>\$ 44,646</u>
	Fundraising	Total		
Personnel	\$ 24,445	\$ 51,492		
Acupuncture, massage, and bodywork services	-	302,093		
Movement instructors	-	21,989		
Interpreters	-	13,251		
Nutrition and gardening	-	256		
Training and business development	-	78,759		
	<u>\$ 24,445</u>	<u>\$ 467,840</u>		

During the years ended December 31, 2020 and 2019 CORE received 841 and 3,028 hours, respectively, from individual volunteers that did not meet the criteria for recognition in the financial statements as follows:

	2020		2019	
	Total Hours	Estimated Value	Total Hours	Estimated Value
Board services and development	453	\$ 9,381	875	\$ 28,636
Garden and nutrition	-	-	90	2,000
Children instructors	62	782	210	2,670
Laundry and cleaning	118	1,180	425	4,251
Office and data entry	208	2,997	1,428	20,587
	<u>841</u>	<u>\$ 14,340</u>	<u>3,028</u>	<u>\$ 58,144</u>

CORE/EL CENTRO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 13—LIQUIDITY AND AVAILABILITY

The following reflects CORE's financial assets at December 31, 2020 and 2019, reduced by amounts not available for general expenditures within one year of the dates of the statements of financial position because of donor-imposed or other restrictions:

	<u>2020</u>	<u>2019</u>
Financial assets at end of year:		
Cash	\$ 352,131	\$ 176,498
Accounts receivable	29,162	44,329
Unconditional promises to give	131,079	126,683
Beneficial interest in assets held by Greater Milwaukee Foundation	<u>260,529</u>	<u>222,760</u>
Total financial assets at end of year	772,901	570,270
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(169,167)	(284,022)
Board-designated endowment	(137,166)	(112,643)
Restricted by donors for endowment purposes	<u>(123,363)</u>	<u>(110,117)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 343,205</u>	<u>\$ 63,488</u>

As part of CORE's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets not available for general expenditures at December 31, 2020 and 2019 include \$137,166 and \$112,643, respectively, set aside for long-term purposes as a board-designated endowment; however, amounts could be made available if necessary.

NOTE 14—COVID-19 CONSIDERATONS

In March 2020, the United States economy began suffering adverse effects from the COVID-19 virus global crisis. In response to the crisis, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. CORE altered operations and services to reduce the spread of COVID-19. These changes included altering certain planned in-person events and moved to virtual, reduction of program services, and temporary closings. While the disruption is currently expected to be temporary, the ultimate disruption and effect on CORE are uncertain and the related financial impact cannot be reasonably estimated. As noted in Note 2 and 15, CORE was approved for loans under the Paycheck Protection Program to help mitigate adverse effects.

NOTE 15—SUBSEQUENT EVENT

On March 15, 2021 CORE received a \$136,032 loan under the Paycheck Protection Program Second Draw Loans established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1% but payments are deferred until a determination of the amount of forgiveness is made. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by CORE during the covered period. Eligible expenses include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years.