



**Nuestro Mundo
Incorporated**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended June 30, 2021

NUESTRO MUNDO, INC.
(A Wisconsin Non-Profit Corporation)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nuestro Mundo, Inc.
Monona, Wisconsin

We have audited the accompanying financial statements of Nuestro Mundo, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 Nuestro Mundo, Inc., as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2020, Nuestro Mundo, Inc. adopted a provision of Accounting Standards Update (ASU) 2014-09 (Topic 606): *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
November 1, 2021

NUESTRO MUNDO, INC.
Monona, Wisconsin

STATEMENT OF FINANCIAL POSITION
June 30, 2021

	<u>2021</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash	\$ 57,099
Certificate of Deposit - Current	15,634
Inventory	<u>3,319</u>
Total Current Assets	<u>76,052</u>
TOTAL ASSETS	<u><u>\$ 76,052</u></u>

LIABILITIES AND NET ASSETS

<u>Net Assets</u>	
Net Assets without Donor Restrictions:	
Undesignated	\$ 73,238
Net Assets with Donor Restrictions	<u>2,814</u>
Total Net Assets	<u>76,052</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 76,052</u></u>

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

NUESTRO MUNDO, INC.
Monona, Wisconsin

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Contributions	\$ 33,213	\$ -	\$ 33,213
Fundraising Sales:			
T-shirt Sales	1,585	-	1,585
Less: Cost of Good Sold	(1,270)	-	(1,270)
Net Fundraising Sales	315	-	315
Miscellaneous	243	-	243
Total Revenues and Support	33,771	-	33,771
<u>EXPENSES</u>			
Program Services	23,421	-	23,421
Supporting Activities:			
Management and General	3,847	-	3,847
Fundraising	100	-	100
Total Supporting Activities	3,947	-	3,947
Total Expenses	27,368	-	27,368
Change in Net Assets	6,403	-	6,403
Net Assets at Beginning of Year	66,835	2,814	69,649
Net Assets at End of Year	\$ 73,238	\$ 2,814	\$ 76,052

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

NUESTRO MUNDO, INC.
Monona, Wisconsin

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Program Services	Management & General	Fundraising	Total
Academic Support Grants	\$ 4,600	\$ -	\$ -	\$ 4,600
DLI Enhancement Expenses	3,363	-	-	3,363
Social Justice Expense	13,492	-	-	13,492
NMS Programs Expenses	954	-	-	954
Fees and Dues	-	796	-	796
Professional Fees	-	2,900	-	2,900
Meeting Expenses	-	18	-	18
Fundraising Expenses	-	-	100	100
Supplies	-	133	-	133
Miscellaneous	1,012	-	-	1,012
Total Expenses	\$ 23,421	\$ 3,847	\$ 100	\$ 27,368

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

NUESTRO MUNDO, INC.
Monona, Wisconsin

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

	<u>2021</u>
<u>Cash Flows from Operating Activities</u>	
Change in Net Assets	\$ 6,403
Adjustments to Reconcile Change in Net Assets to Net Decrease (increase) in Inventory	<u>1,270</u>
Net Cash Provided (used) by Operating Activities	<u>7,673</u>
<u>Cash Flows from Investing Activities</u>	
Interest Earned on Certificate of Deposit	<u>(200)</u>
Net Cash Provided (used) by Investing Activities	<u>(200)</u>
Net Change in Cash	7,473
Cash at Beginning of Year	<u>49,626</u>
Cash at End of Year	<u><u>\$ 57,099</u></u>

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

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nuestro Mundo, Inc. (Nuestro Mundo) is a nonprofit Organization which serves to develop, manage, and promote child and adult language skills, cross-cultural education, and leadership opportunities by guiding the growth and development of Nuestro Mundo Community School; planning innovative middle school programs and a neighborhood learning center; and developing productive partnerships through identified community collaborations and public policy. Nuestro Mundo works closely with Nuestro Mundo Community School, which provides dual language immersion education to hundreds of students from kindergarten through fifth grade.

Accounting Method

The accompanying financial statements are prepared using the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Net assets without donor restrictions consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of Nuestro Mundo and include those expendable resources which have been designated for special use by Nuestro Mundo's Board of Directors.

Net assets with donor restrictions consist of net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit Nuestro Mundo's choices of when to use and how to use these resources.

Promises to Give

Unconditional promises to give are recognized as support in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Nuestro Mundo considers all promises to give to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If promises to give become uncollectible, they will be charged to operations when that determination is made. There are no promises to give as of June 30, 2021.

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory is valued at cost (first-in, first-out) or market, whichever is lower. Inventory consists of T-shirts held for sale.

Revenue and Revenue Recognition

Nuestro Mundo recognizes revenue from T-shirt sales when the goods are delivered to the buyer and recognizes the special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions which they depend have been substantially met. Organization has no conditional promises to give as of June 30, 2021.

Support Recognition

Support restricted by the grantor, donor, or other outside party is reported as increases in net assets without donor restrictions if the restriction expires in the year in which the support is recognized. All other restricted support is reported as increases in restricted net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Donated Materials and Services

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation, are recorded at the estimated fair value in the period received.

Cost of Goods Sold

Cost of goods sold is the cost of the items sold for fundraising purposes. Cost of T-shirts sold for the year ended June 30, 2021 was \$1,270.

Income Taxes

Nuestro Mundo is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Nuestro Mundo's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, Nuestro Mundo is no longer subject to such examinations for tax years before 2017.

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

Date of Management's Review

Nuestro Mundo evaluated subsequent events for disclosure through November 1, 2021 which is the date the financial statements were available to be issued.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefitted. Expenses that can be identified with a specific program are recorded directly according to their natural expense classification. Expenses related to more than one function are allocated to programs and supporting services based on estimated time spent for each function.

Change in Accounting Principle

Effective July 1, 2020, Nuestro Mundo adopted ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and all related amendments. The core principle under ASU No. 2014-09 is that revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration at which the entity expects to be entitled in exchange for those goods or services. The adoption of this standard did not have a significant impact on the financial statements of Nuestro Mundo.

2. DONATED SERVICES

Nuestro Mundo relies on numerous volunteers from the community to operate its programs. The value of these services is not reflected in the financial statements as it does not meet the criteria for recognition. For the year ended June 30, 2021, Nuestro Mundo did not receive any donated translation services.

3. ECONOMIC DEPENDENCY

For the year ended June 30, 2021, Nuestro Mundo received about 35% of its total revenue from Community Shares of Wisconsin. A significant reduction in the level of support and revenue from this funding source may have an adverse effect on Nuestro Mundo's programs and activities.

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>2021</u>
Passport Fair	\$ 178
Disney Musical	2,136
Playground	<u>500</u>
	<u>\$ 2,814</u>

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Nuestro Mundo monitors its liquidity so that it is able to meet its operating needs. The following table reflects Nuestro Mundo's financial assets as of June 30, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are not considered available when not liquid or not convertible into cash within one year, assets held for others, assets restricted by donors for specific uses, perpetual endowments and accumulated earnings net of appropriations within one year, or because the Board of Directors have designated funds for specific reserves. The Board-designated amounts could be used within one year if approved by the Board of Directors.

	<u>2021</u>
Cash	\$ 57,099
Investments	<u>15,634</u>
Total Financial Assets	72,733
Less those unavailable for general expenditure within one year due to:	
Other donor restrictions	<u>(2,814)</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 69,919</u>