



**Nuestro Mundo
Incorporated**

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

For the Year Ended June 30, 2023

NUESTRO MUNDO, INC.
(A Wisconsin Non-Profit Corporation)
TABLE OF CONTENTS

June 30, 2023

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	i-ii
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Activities.....	2
Statement of Functional Expenses	3
Statement of Cash Flows	4
Notes to Financial Statements.....	5



INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nuestro Mundo, Inc. as of June 30, 2023, 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.

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 Nuestro Mundo, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nuestro Mundo, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nuestro Mundo, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nuestro Mundo, Inc.'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.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
March 21, 2024

NUESTRO MUNDO, INC.
Monona, Wisconsin

STATEMENT OF FINANCIAL POSITION
June 30, 2023

	<u>2023</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash	\$ 69,841
Certificate of Deposit - Current	<u>15,784</u>
Total Current Assets	<u>85,625</u>
TOTAL ASSETS	<u><u>\$ 85,625</u></u>

LIABILITIES AND NET ASSETS

<u>Net Assets</u>	
Net Assets without Donor Restrictions:	
Board Designated	\$ 1,561
Undesignated	80,750
Net Assets with Donor Restrictions	<u>3,314</u>
Total Net Assets	<u>85,625</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 85,625</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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>			
Contributions	\$ 30,632	\$ 500	\$ 31,132
Fundraising Sales:			
Sale of Cards	44,600	-	44,600
T-shirt Sales	1,148	-	1,148
Other Sales	285	-	285
Less: Cost of Good Sold	(44,760)	-	(44,760)
Net Fundraising Sales	1,273	-	1,273
Miscellaneous	610	-	610
Total Revenues and Support	32,515	500	33,015
<u>EXPENSES</u>			
Program Services	20,016	-	20,016
Supporting Activities:			
Management and General	11,653	-	11,653
Fundraising	63	-	63
Total Supporting Activities	11,716	-	11,716
Total Expenses	31,732	-	31,732
Change in Net Assets	783	500	1,283
Net Assets at Beginning of Year	81,528	2,814	84,342
Net Assets at End of Year	\$ 82,311	\$ 3,314	\$ 85,625

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, 2023

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Academic Support Grants	\$ 6,636	\$ -	\$ -	\$ 6,636
DLI Enhancement Program Expenses	3,675	-	-	3,675
Social Justice Program Expense	4,429	-	-	4,429
NMS Programs Expenses	5,276	-	-	5,276
Fees and Dues	-	852	-	852
Professional Fees	-	9,530	-	9,530
Website Hosting and Domain	-	250	-	250
Meeting Expenses	-	766	-	766
Fundraising Expenses	-	-	63	63
Supplies	-	255	-	255
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 20,016</u>	<u>\$ 11,653</u>	<u>\$ 63</u>	<u>\$ 31,732</u>

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, 2023

	<u>2023</u>
<u>Cash Flows from Operating Activities</u>	
Change in Net Assets	\$ 1,283
Adjustments to Reconcile Change in Net Assets to Net Decrease (increase) in Inventory	<u>2,490</u>
Net Cash Provided (used) by Operating Activities	<u>3,773</u>
<u>Cash Flows from Investing Activities</u>	
Interest Earned on Certificate of Deposit	<u>(112)</u>
Net Cash Provided (used) by Investing Activities	<u>(112)</u>
Net Change in Cash	3,661
Cash at Beginning of Year	<u>66,180</u>
Cash at End of Year	<u><u>\$ 69,841</u></u>

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

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 (NMS); 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 (DLI) 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, 2023.

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 and other “spirit wear” held for sale.

Nuestro Mundo is transitioning to online sales and as of June 30, 2023, had no inventory on hand.

Revenue and Revenue Recognition

Nuestro Mundo’s primary revenue sources are through fundraising activities and efforts. This includes sales of apparel / spirit wear and sales of prepaid grocery cards as well as general contributions and donations.

Nuestro Mundo purchases gift cards from supermarkets at a discounted fundraising price. These cards are then sold to the public at face value. Revenue from gift card sales is recognized at the point of sale which is also the point in time payment is received. Revenue from spirit wear sales are recognized when the goods are delivered to the buyer. Fundraising revenue is recognized based on revenue equal to the cost of direct benefits to donors, and then 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. The organization has no conditional promises to give as of June 30, 2023.

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 spirit wear sold for the year ended June 30, 2023 was \$2,490.

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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 2019.

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 March 21, 2023 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 as a percentage to each program area, according to that program's percentage against the whole of all program expenses.

Change in Accounting Principle

Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), as amended, supersedes or replaces previous lease accounting methodology and established a single model for lease accounting based on the foundation principle that leases are a financing right-to-use an underlying asset. These standards increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Nuestro Mundo has implemented ASU 2016-02 and has had no effect on these financial statements.

2. DONATED MATERIALS AND 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, 2023, Nuestro Mundo did not receive any donated translation services.

NUESTRO MUNDO, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

3. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>
Passport Fair	\$ 178
Disney Musical	2,136
Playground	500
School or Garden	500
	<u>\$ 3,314</u>

4. 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, 2023, 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>2023</u>
Cash	\$ 69,841
Investments	<u>15,784</u>
Total Financial Assets	85,625
Less those unavailable for general expenditure within one year due to:	
Other donor restrictions	<u>(3,314)</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 82,311</u>