

# Comunidades Latinas Unidas En Servicio, Inc.

Consolidated Financial Statements  
and Supplementary Information

Years Ended December 31, 2025 and 2024



# Comunidades Latinas Unidas En Servicio

Years Ended December 31, 2025 and 2024

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## **Independent Auditor's Report**

Board of Directors  
Comunidades Latinas Unidas En Servicio  
St. Paul, Minnesota

### ***Report on the Audit of the Consolidated Financial Statements***

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Comunidades Latinas Unidas En Servicio, a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Comunidades Latinas Unidas En Servicio as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Comunidades Latinas Unidas En Servicio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of CLUES Real Estate Holding Company were not audited in accordance with *Government Auditing Standards*.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Comunidades Latinas Unidas En Servicio's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position, consolidating statement of activities, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2026, on our consideration of the Comunidades Latinas Unidas En Servicio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Comunidades Latinas Unidas En Servicio's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

Madison, Wisconsin

May 27, 2026

# Comunidades Latinas Unidas En Servicio

## Consolidated Statements of Financial Position

<i>December 31,</i>	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 4,888,193	\$ 6,204,279
Program receivables, net of allowance for credit losses of \$7,795 and \$7,586	1,524,195	2,191,543
Grants receivable	1,185,300	1,022,400
NMTC receivables	-	5,031,400
Other CREHC assets	-	44,917
Prepays and other assets	294,342	322,485
Right of use assets, operating leases - Net	129,813	273,124
Right of use assets, finance leases - Net	62,183	115,946
Property and equipment, net	13,261,216	10,555,291
<b>Total assets</b>	<b>\$ 21,345,242</b>	<b>\$ 25,761,385</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 169,716	\$ 245,972
Accrued expenses	632,428	565,868
Unearned grant revenue	1,916,440	3,000,000
Lease liabilities, operating leases	129,813	284,855
Lease liabilities, finance leases	64,829	123,032
NMTC debt	-	6,510,856
Other debt	423,532	1,414,198
<b>Total liabilities</b>	<b>3,336,758</b>	<b>12,144,781</b>
<b>Net assets</b>		
Without donor restrictions	14,145,838	9,502,767
With donor restrictions	3,862,646	4,113,837
<b>Total net assets</b>	<b>18,008,484</b>	<b>13,616,604</b>
<b>Total liabilities and net assets</b>	<b>\$ 21,345,242</b>	<b>\$ 25,761,385</b>

See accompanying notes to consolidated financial statements.

# Comunidades Latinas Unidas En Servicio

## Consolidated Statements of Activities

<i>Years Ended December 31,</i>	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>						
Government grants	\$ 8,298,090	\$ -	\$ 8,298,090	\$ 7,247,036	\$ -	\$ 7,247,036
Private grants and contributions	1,742,216	2,281,713	4,023,929	2,802,825	1,852,733	4,655,558
Clinic PPS revenue	1,754,312	-	1,754,312	767,535	-	767,535
Contract for services	533,838	-	533,838	719,331	-	719,331
Private insurance	159,788	-	159,788	518,888	-	518,888
Client fees	34,905	-	34,905	37,281	-	37,281
In-kind revenue	251,149	-	251,149	186,403	-	186,403
Miscellaneous income	824,426	-	824,426	440,832	-	440,832
Net assets released from restrictions	4,772,775	(4,772,775)	-	1,663,967	(1,663,967)	-
<b>Total support and revenue</b>	<b>18,371,499</b>	<b>(2,491,062)</b>	<b>15,880,437</b>	<b>14,384,098</b>	<b>188,766</b>	<b>14,572,864</b>
<b>Expenses:</b>						
Program services	12,430,613	-	12,430,613	11,766,114	-	11,766,114
Support services:						
Management and general	2,835,248	-	2,835,248	2,509,188	-	2,509,188
Fundraising	722,439	-	722,439	756,953	-	756,953
<b>Total expenses</b>	<b>15,988,300</b>	<b>-</b>	<b>15,988,300</b>	<b>15,032,255</b>	<b>-</b>	<b>15,032,255</b>
Changes in net assets before other changes in net assets	2,383,199	(2,491,062)	(107,863)	(648,157)	188,766	(459,391)
<b>Other changes in net assets:</b>						
Gain on termination of NMTC transactions	1,455,406	-	1,455,406	-	-	-
Contributions for capital assets	804,466	2,239,871	3,044,337	-	1,839,871	1,839,871
Changes in net assets	4,643,071	(251,191)	4,391,880	(648,157)	2,028,637	1,380,480
Net assets, beginning of year	9,502,767	4,113,837	13,616,604	10,150,924	2,085,200	12,236,124
<b>Net assets, end of year</b>	<b>\$ 14,145,838</b>	<b>\$ 3,862,646</b>	<b>\$ 18,008,484</b>	<b>\$ 9,502,767</b>	<b>\$ 4,113,837</b>	<b>\$ 13,616,604</b>

See accompanying notes to consolidated financial statements.

# Comunidades Latinas Unidas En Servicio

## Consolidated Statements of Functional Expenses

<i>Year Ended December 31,</i>	2025			
	Program	Management and General	Fundraising	Total
Salaries	\$ 6,468,661	\$ 1,697,057	\$ 327,398	\$ 8,493,116
Benefits and payroll taxes	2,125,341	355,741	85,302	2,566,384
<b>Total salaries and related expenses</b>	<b>8,594,002</b>	<b>2,052,798</b>	<b>412,700</b>	<b>11,059,500</b>
Program materials and supplies	580,643	-	-	580,643
Client financial assistance	793,517	-	-	793,517
Professional services	630,541	416,247	192,990	1,239,778
Occupancy and insurance	799,420	151,346	19,403	970,169
Equipment and vehicle	175,746	39,757	7,340	222,843
Subscriptions and memberships	43,854	9,920	1,832	55,606
Supplies	49,527	12,422	1,838	63,787
Staff development and recruitment	126,997	28,728	5,304	161,029
Volunteers In-kind	152,697	29,084	69,369	251,150
Miscellaneous	19,845	7,135	405	27,385
Depreciation and amortization	357,496	67,683	8,677	433,856
Interest	106,328	20,128	2,581	129,037
<b>Total Expenses</b>	<b>\$ 12,430,613</b>	<b>\$ 2,835,248</b>	<b>\$ 722,439</b>	<b>\$ 15,988,300</b>

See accompanying notes to consolidated financial statements.

# Comunidades Latinas Unidas En Servicio

## Consolidated Statements of Functional Expenses (Continued)

<i>Year Ended December 31,</i>	2024			
	Program	Management and General	Fundraising	Total
Salaries	\$ 6,258,613	\$ 1,664,132	\$ 382,428	\$ 8,305,173
Benefits and payroll taxes	1,667,525	245,940	83,180	1,996,645
Total salaries and related expenses	7,926,138	1,910,072	465,608	10,301,818
Program materials and supplies	624,219	-	-	624,219
Client financial assistance	536,634	-	-	536,634
Professional services	869,074	265,226	224,032	1,358,332
Occupancy and insurance	722,679	130,920	19,202	872,801
Equipment and vehicle	153,809	32,350	7,555	193,714
Subscriptions and memberships	59,411	12,496	2,918	74,825
Supplies	41,349	7,386	2,926	51,661
Staff development and recruitment	99,616	20,952	4,893	125,461
Volunteers In-kind	150,571	22,691	13,141	186,403
Miscellaneous	53,095	11,167	2,608	66,870
Depreciation and amortization	360,465	65,302	9,578	435,345
Interest	169,054	30,626	4,492	204,172
Total Expenses	\$ 11,766,114	\$ 2,509,188	\$ 756,953	\$ 15,032,255

See accompanying notes to consolidated financial statements.

# Comunidades Latinas Unidas En Servicio

## Consolidated Statements of Cash Flows

<i>Years Ended December 31,</i>	2025	2024
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 4,391,880	\$ 1,380,480
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	373,895	378,531
Amortization of discount of long-term debt	9,922	16,840
Interest expense - amortization of finance fees	15,136	20,181
Gain on termination of NMTC transactions	(1,455,406)	-
Change in ROU assets and lease liabilities	42,032	54,967
Changes in operating assets and liabilities:		
Program receivable	667,348	(181,061)
Grants receivable	(162,900)	(395,500)
Other CREHC assets	-	42,500
Prepaid expenses and other	28,143	(12,752)
Accounts payable	(76,256)	86,805
Accrued expenses	66,560	11,783
Unearned grant revenue	(1,083,560)	2,992,656
<b>Net cash flows from operating activities</b>	<b>2,816,794</b>	<b>4,395,430</b>
Cash flows from investing activities:		
Purchase of property and equipment	(3,079,820)	(1,921,596)
<b>Net cash flows from investing activities</b>	<b>(3,079,820)</b>	<b>(1,921,596)</b>
Cash flows from financing activities:		
Principal payments on notes payable	(994,857)	(23,627)
Principal payments on finance leases	(58,203)	(56,541)
<b>Net cash flows from financing activities</b>	<b>(1,053,060)</b>	<b>(80,168)</b>
Net changes in cash and cash equivalents	(1,316,086)	2,393,666
Cash and cash equivalents, beginning of year	6,204,279	3,810,613
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,888,193</b>	<b>\$ 6,204,279</b>

# Comunidades Latinas Unidas En Servicio

## Consolidated Statements of Cash Flows (Continued)

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<i>Years Ended December 31,</i>	2025	2024
<i>Supplemental Disclosure of cash flow information:</i>		
Interest paid	\$ 100,057	\$ 177,336
In-kind goods and services	\$ 251,149	\$ 186,403

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See accompanying notes to consolidated financial statements.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Operations

Comunidades Latinas Unidas En Servicio (CLUES) (the Organization), a 501(c)(3) not-for-profit organization, was established in 1981 by Latinos for Latinos who share a vision for improving quality of life of Minnesota's Latino population. While the Latino community and CLUES have grown significantly to meet the needs of its clients, the commitment to these founding values has not wavered.

CLUES Real Estate Holding Company (CREHC), a 501(c)(3) not-for-profit organization, was established in 2018 as part of a new market tax credit financing secured in 2019 for CLUES to expand its St. Paul headquarters office building.

Minnesota's Latino population continues to increase rapidly and CLUES strives to grow in innovative ways to meet community growth and timely needs as it expands our presence in targeted areas. Today, CLUES is Minnesota's largest Latino-led nonprofit that serves as a catalyst for advancing health and socio-economic wellbeing, advancing community leadership, and advancing cultural and financial assets for Latinos. CLUES Holistic and multigenerational services are delivered at its Saint Paul Headquarters, Minneapolis, and also local staff Navigators in Willmar and Austin areas. Over 140 team members and 600+ volunteers, help deliver services to over 30,000 people annually. CLUES continues to expand its reach to meet the needs of Minnesota's rapidly growing Latino and immigrant population.

CLUES strategic framework guides the organization. This included: High-Level Strategic framework, a three-year Business and Implementation Plan, and a Structural Assessment.

- **Our mission:** *CLUES advances social and economic equity and wellbeing for Latinos by building upon our strengths and cultures, uplifting our community, and activating leadership for systemic change.*
- **Our vision:** *A Latino community that is growing in strength and unity, with diverse and amplified voices, equal representation and the resources need to lead healthy and thriving lives.*

CLUES operates as a catalyst for community transformation, focusing on four core pillars:

1. **Advancing Community Wellness** by facilitating individual and collective resilience, healing, and stability that help overcome trauma and promoter greater wellbeing and health.
2. **Advance Cultural Engagement** by catalyzing a deep sense of belonging among Latinos to strengthen the social networks that help people feel valued and connected.
3. **Advancing Community Prosperity** by cultivating access to opportunities and growing individual and community assets owned by and for Latinos to foster economic equity.
4. **Advance Organizational Capacity** by adapting to the changing needs of the communities we serve by strengthening our team and infrastructure.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Nature of Operations** (Continued)

CLUES' goals for advancing community prosperity foster socio-economic mobility and racial equity by connecting individuals to tools and resources to help them navigate complex financial systems, attain better wages, and career ladders, and ensuring ownership of safe and affordable housing. CLUES goals for advancing community wellness are based on a holistic model of wellness centered on the whole person. CLUES fosters social capital and community-building as a form of healing and providing networks of support that connect people to achieving their dreams and thrive. CLUES arts and cultural programs foster healing and create connections that cross race and economic status.

Advancing cultural engagement, advocacy, and systems change is a strategic priority for CLUES. CLUES is committed to investing in the next generation of Latino leaders and driving systems change for racial and economic justice. CLUES model for community-building seeks to foster resiliency, strengthen social connections, recognize trauma, and catalyze community-driven change. CLUES learning cohort models are designed for participants to learn, connect, and be empowered through leadership skills and co-creating solutions. CLUES successfully piloted this model to engage the community in co-creating solutions for housing/homelessness, parent empowerment, and early childhood education.

CLUES services are based on an intergenerational approach to increase accessibility, promote learning, and motivate children and parents to mutually support one another. CLUES model of service is designed to advance learning and build social and human capital. CLUES focus on leveraging people's strengths and skills to achieve long-term self-sufficiency. Through strategic collaboration, CLUES provides a broad range of services and advances promising new strategies for transformational impact.

#### Business and Financial Growth

CLUES has grown services and revenues from approximately \$5 million in 2014 to over \$15.8 million in 2025. CLUES has diversified its sources of income and also increased staffing and volunteer levels. CLUES has grown into a strong organization ready to meet timely needs of Latinos and immigrants. Financial support is driven by diverse sources including government grants and contracts, foundation/corporate support, earned income and fee for services (including behavioral health clinics), funds for direct client/participant assistance, and individual donor support.

#### **Basis of Consolidation**

For financial reporting purposes, the consolidated financial statements include the accounts of CLUES and CREHC due to economic interest and control. Collectively, the entities are referred to as the Organization. All material intercompany transactions and accounts have been eliminated during consolidation.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States of America (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in accordance with GAAP.

#### Net Assets

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

**Net assets without donor restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net assets with donor restrictions:** Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has elected to present contributions with donor restrictions which are fulfilled in the same reporting period as net assets without donor restrictions.

#### Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP, 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 consolidated financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

#### Revenue Recognition

##### Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition (Continued)

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

#### Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

**Grant Awards That Are Contributions** - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as unearned grant revenue.

**Grant Awards That Are Exchange Transactions** - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

#### Revenue from Contracts with Customers

##### *Clinic PPS and Private Insurance Revenue*

Clinic PPS and private insurance revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient treatment. These amounts are due from insurance based on contracted rates. Generally, the Organization bills the patients and insurance several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided. For revenue from services provided to patients of the Organization, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the patient care services are performed. In the case of these services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Revenue from Contracts with Customers** (Continued)

The Organization determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience for each patient portfolio based on payor class and service type.

The Organization determined at December 31, 2025 and 2024 that there were no services provided without a contract in place and, therefore, has no expected adjustments to receivables and revenue. The receivables from contracts with clients for services provided are included in program receivables on the consolidated statements of financial position. Receivables from contracts with clients were \$166,994, \$267,047 and \$136,364 at December 31, 2025, December 31, 2024 and January 1, 2023.

#### **In-Kind Contributions**

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 the Organization.

#### **Functional Allocation of Expenses**

The costs of providing program and supporting services have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, management and general, or fundraising are charged to the respective functional area on the basis of actual cost. Expenses, other than salaries and related expenses which are not directly identifiable by program or supporting service, are allocated based on time and effort estimates of management.

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

#### **Other CREHC Assets**

The Organization had construction deposits held in escrow (cash balance) for the office headquarters expansion construction project. The balance was released during the year ended December 31, 2025 and was \$44,917 at December 31, 2024.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Receivables

The carrying amount of accounts receivable related to revenue from contracts with customers is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organization uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics.

For all other receivables, an allowance for doubtful account is considered based on historical collection experience and an analysis of the current status of the receivable. The Organization did not record an allowance for doubtful accounts for these receivables as of December 31, 2025 and 2024 due to management's assessment that all receivables are collectible.

Discounts on long-term pledges receivable are computed using an imputed interest rate applicable to the year in which the pledge is received. This value is determined to be fair value and is calculated using an income approach of applying a discount rate technique in the year in which the pledge is received. Conditional pledges and grants are not included as support until such time as the conditions are substantially met. The Organization did not have any long-term pledges that were recorded at a discount at December 31, 2025 and 2024.

At December 31, contributions and grants noted in the table below have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met.

	2025	2024
Conditional awards	\$ 7,683,783	\$ 10,979,726
Total	\$ 7,683,783	\$ 10,979,726

#### Property and Equipment

Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as without donor restrictions. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful life of the asset. The Organization capitalizes items greater than \$2,000.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property and Equipment (Continued)

The Organization assigns useful lives to assets as follows:

Land	N/A
Buildings	40 years
Vehicles	5 years
Furniture and equipment	5 years
Software	3 years
Leasehold improvements	lesser of 15 years or the expected lease term

The Organization reviews long-lived assets, including property and equipment for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2025 and 2024.

#### Leases

The Organization is in multiple noncancelable operating and finance leases. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use its incremental borrowing rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

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

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Loan Financing Costs**

Loan financing costs represent costs of \$559,558 that were associated with obtaining debt to finance the construction of a building. Unamortized financing costs have been recorded as a reduction to the related debt obligation. The costs were being amortized to interest expense over the maximum term provided in the debt agreement using the straight-line method which approximates the effective interest method. Unamortized finance costs were written off in September 2025 with the New Market Tax Credit debt extinguishment in Note 7.

#### **Income Tax Status**

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 209.3. The Organization is classified by the Internal Revenue Service as an organization that is not a private foundation. Therefore, charitable contributions by donors are tax deductible.

The Organization has adopted guidance in the income tax standard regarding the recognition of uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this guidance had no impact on the Organization's financial statements. The Organization's tax returns are subject to review and examination by federal authorities.

#### **Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through May 27, 2026, which is the date the consolidated financial statements were available to be issued.

### **Note 2: Liquidity and Availability of Financial Resources**

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining appropriate cash flow to provide reasonable assurance that long-term debt obligations will be discharged. The Organization's goal is to maintain current financial assets less current liabilities at a minimum to cover 30 days operating expenses. To achieve this target, the Organization monitors its liquidity on a regular basis. The Organization has a \$1,500,000 revolving line of credit with Bremer Bank. No amounts were outstanding on the line of credit during the year, and is intended to provide liquidity only in the event of unforeseen circumstances.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 2: Liquidity and Availability of Financial Resources (Continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

<i>As of December 31,</i>	2025	2024
Cash	\$ 4,888,193	\$ 6,204,279
Accounts receivable, net of allowances	1,524,195	2,191,543
Grants receivable	1,185,300	1,022,400
<b>Total current assets</b>	<b>7,597,688</b>	<b>9,418,222</b>
Less: Net assets subject to satisfaction of donor restrictions	(3,862,646)	(4,113,837)
Less: Unearned grant revenue included in cash	(416,440)	(1,500,000)
<b>Current assets unavailable for general expenditure</b>	<b>(4,279,086)</b>	<b>(5,613,837)</b>
<b>Financial assets available to meet general expenditures within one year</b>	<b>\$ 3,318,602</b>	<b>\$ 3,804,385</b>

### Note 3: Concentration of Risk

The Organization provides services within the state of Minnesota. Grants and contributions are received from both national and local institutions. Substantially, all of the receivables are from organizations, corporations, and the state and federal governments.

Government grant revenue for the years ended December 31, 2025 and 2024, consisted of 66% and 55%, from three and two grantors, respectively, of the total revenue. Contribution revenue for the years ended December 31, 2025 and 2024, consisted of 34% and 32% from one donor, respectively.

Grants receivable for the years ended December 31, 2025 and 2024, consisted of 49% and 55% from three grantors, respectively.

The Organization maintains cash balances at several financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. The Organization has not experienced any losses in such accounts. Management has assessed the creditworthiness of the financial institutions and believes it is not exposed to any significant credit risk on cash.

### Note 4: NMTC Receivables

Under a promissory note dated August 30, 2018, in conjunction with the new market tax credit financing transactions in Note 6, the Organization loaned Twain Investment Fund 308, LLC two leverage loans. The first loan was for \$1,400,000, bears interest at a rate of 1.0% per annum and a maturity of February 28, 2026. The second loan was for \$3,631,400, bears interest at a rate of 1.0% per annum and a maturity of August 30, 2043. Interest on the unpaid principal amounts for both loans were payable quarterly. Principal for the first loan was due at maturity. For the second loan, principal payments were required starting on August 30, 2025 until maturity. In September 2025 CLUES exercised its option to exit new market tax credit financing as disclosed in Note 7 which resulted in the satisfaction of the NMTC receivables balance.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 5: Property and Equipment

A summary of property and equipment is as follows as of December 31:

	2025	2024
Land	\$ 1,418,620	\$ 1,418,620
Building	14,932,029	10,485,852
Vehicles	130,390	130,390
Furniture and equipment	526,479	431,923
Software	46,455	46,455
Leasehold improvements	15,595	15,595
Construction in progress	123,098	1,589,879
<b>Total property and equipment</b>	<b>17,192,666</b>	<b>14,118,714</b>
<b>Less: Accumulated depreciation</b>	<b>(3,931,450)</b>	<b>(3,563,423)</b>
<b>Property and equipment, net</b>	<b>\$ 13,261,216</b>	<b>\$ 10,555,291</b>

Construction in progress relates to ongoing renovations to a substantially completed building. During the year ended December 31, 2025, approximately \$1.4 million of construction in progress was capitalized as building costs. There were no material construction commitments at December 31, 2025.

### Note 6: Long-Term Debt

Long-term debt consisted of the following at December 31:

	2025	2024
CLUES received a loan from the Raza Development Fund, Inc. on August 30, 2018 in the amount of \$2,600,000 and payable at a fixed annual interest rate of 6.88%. Scheduled installment payments of principal and interest were due each year with a final maturity date of March 1, 2026. The Organization had paid \$525,000 of the required principal payments in advance.	\$ -	\$ 975,000
CREHC received a loan from Partnerships of Hope XIX, LLC (Note A1) on August 30, 2018 in the amount of \$1,400,000 and payable at a fixed annual interest rate of 1.25%. Scheduled interest-only payments were due quarterly through August 30, 2025. Final payment of principal and interest were to be payable on the maturity date of March 1, 2026. At the end of the new market tax credit compliance period (August 30, 2025), the Investor has the right and option, but not the obligation, to sell its 100% ownership interest in the Investment Fund to the Organization in the form of a Put Option for \$1,000. Once the Put Option is exercised, Notes A1, A2 and B can be extinguished by the Organization. As disclosed in Note 7, the Organization exercised the Put Option.	-	1,400,000

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 6: Long-Term Debt (Continued)

	2025	2024
<p>CREHC received a loan from Partnerships of Hope XIX, LLC (Note A2) on August 30, 2018 in the amount of \$3,631,400 and payable at a fixed annual interest rate of 1.25%. Scheduled interest-only payments were due quarterly through August 30, 2025. Thereafter regular payments of principal and interest were to be paid through final maturity date of August 29, 2048. At the end of the new market tax credit compliance period (August 30, 2025), the Investor has the right and option, but not the obligation, to sell its 100% ownership interest in the Investment Fund to the Organization in the form of a Put Option for \$1,000. Once the Put Option is exercised, Notes A1, A2, and B can be extinguished by the Organization. As disclosed in Note 7, the Organization exercised the Put Option.</p>	-	3,631,400
<p>CREHC received a loan from Partnerships of Hope XIX, LLC (Note B) on August 30, 2018 in the amount of \$1,828,600 and payable at a fixed annual interest rate of 1.25%. Scheduled interest-only payments were due quarterly through August 30, 2025. hereafter regular payments of principal and interest were to be paid through final maturity date of August 29, 2048. At the end of the new market tax credit compliance period (August 30, 2025), the Investor has the right and option, but not the obligation, to sell its 100% ownership interest in the Investment Fund to the Organization in the form of a Put Option for \$1,000. Once the Put Option is exercised, Notes A1, A2, and B can be extinguished by the Organization. As disclosed in Note 7, the Organization exercised the Put Option.</p>	-	1,828,600
<p>CLUES received a loan from the Housing and Redevelopment Authority of the City of St. Paul, Minnesota on June 14, 2005 in the amount of \$417,000. Principal payments are deferred for a period of 20 years, and no interest accrues during the deferral period. Repayment in the amount of \$2,495 per month including interest at 1% will begin in 2025 and continue through 2040. However, the loan is immediately due and payable if the Organization relocates to any other location outside of the City of St. Paul. This loan is unsecured.</p>	410,547	417,000
<p>Unamortized discount on the above loan at imputed interest rate of 6.06%</p>	(119,991)	(129,913)

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 6: Long-Term Debt (Continued)

	2025	2024
CLUES received a loan from the Housing and Redevelopment Authority of the City of St. Paul, Minnesota on June 14, 2005 in the amount of \$170,000. Principal payments are deferred for a period of 10 years, and no interest accrues during the deferral period. Repayment in the amount of \$1,174 per month including interest at 3% began in 2015 and continues through 2030. However, the loan is immediately due and payable if the Organization relocates to another location outside of the City of St. Paul. This loan is unsecured.	69,327	80,171
On July 15, 2015, the Saint Paul City Council authorized a loan up to the amount of \$125,000 to CLUES. During 2019, CLUES drew \$112,500 of this loan. The loan expires on May 31, 2029. The term of the loan is 11 years with principal and interest payments of \$1,150 due beginning on June 1, 2019 through May 1, 2029. The loan bears interest at 2%. The loan is secured by property.	63,649	71,940
Loan Financing Costs	-	(349,144)
<b>Total debt</b>	<b>\$ 423,532</b>	<b>\$ 7,925,054</b>

The security interests of the Housing and Redevelopment Authority of the City of St. Paul are subordinate to the security interest of the Partnerships of Hope XIX, LLC (Notes A1, A2, and B) mortgage on property located at 797 7th Street E, St. Paul, MN. The Raza Development Fund Inc. promissory note is secured by substantially all other assets owned by the Organization.

At December 31, 2025 and 2024, loan-financing costs of \$559,558 were netted with related debt, respectively, and amortized using the straight-line method over the assumed term of loans. Accumulated amortization was \$- and \$210,414, for the years ended December 31, 2025 and 2024, respectively.

Future maturities of long-term debt are as follows for the years ending December 31:

2026	\$ 55,135
2027	51,836
2028	52,743
2029	53,671
2030	52,478
Thereafter	277,660
Total debt before unamortized discounts	543,523
Less: Unamortized discounts	(119,991)
<b>Total debt, net of unamortized discounts</b>	<b>\$ 423,532</b>

The Organization recorded interest and discount amortization expense of \$129,037 and \$204,172 for the years ended December 31, 2025 and 2024, respectively.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### Note 7: NMTC Exit Agreement

CLUES exercised their Put Option to sell 100% of their interest in the Investment Fund for \$1,000, resulting in a NMTC Exit Agreement that was executed on September 9, 2025. As a result of the NMTC Exit Agreement, the following occurred:

- CREHC Notes A1 and A2 in Note 6 were assigned to the Investment Fund in satisfaction of the NMTC receivables in Note 4.
- The Investment Fund was assigned CREHC Note B and the debt was forgiven.
- The unamortized finance fees were written off.
- Other CREHC Assets (deposits held in escrow) were released.
- The board of directors of CLUES approved a transfer of all property and other assets held by CREHC to CLUES

The Organization recognized a gain on termination of NMTC transactions in the accompanying consolidated statements of activities as follows:

#### *Year Ended December 31, 2025*

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Termination of notes payable:

CREHC loan from Partnerships of Hope XIX, LLC (Note A1)	\$ 1,400,000
CREHC loan from Partnerships of Hope XIX, LLC (Note A2)	3,631,400
CREHC loan from Partnerships of Hope XIX, LLC (Note B)	1,828,600
Unamortized debt issuance costs	(334,008)
Release of deposit held in escrow	(39,186)
Forgiveness of notes receivable due from the investment fund	(5,031,400)
	<hr/>
Gain on termination of NMTC transactions	\$ 1,455,406

### Note 8: Line of Credit

The Organization maintains a line of credit with Bremer Bank with an available balance of up to \$1,500,000 and an advance rate of 0.5% + Prime (6.75% at December 31, 2025). The current maturity date is August 31, 2026. Borrowings are secured by the Organization's inventory, equipment, accounts receivable, and general intangibles. There was no outstanding balance on the line of credit as of December 31, 2025 and 2024.

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 9: Leases

The Organization has entered into multiple leases for office spaces, which expire in 2027.

The Organization also leases office equipment that requires monthly payments over a term ranging from 24 to 60 months. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

<i>As of December 31,</i>	2025	2024
Right of Use Assets:		
Finance leases	\$ 62,183	\$ 115,946
Operating leases	129,813	273,124
<b>Total right of use assets</b>	<b>\$ 191,996</b>	<b>\$ 389,070</b>
Lease Liabilities:		
Current:		
Finance leases	53,658	58,984
Operating leases	103,347	118,626
Noncurrent:		
Finance leases	11,171	64,048
Operating leases	26,466	166,229
<b>Total lease liabilities</b>	<b>\$ 194,642</b>	<b>\$ 407,887</b>

Components of lease expense were as follows:

<i>Years Ended December 31,</i>	2025	2024
Finance lease costs:		
Amortization of right-of-use assets	\$ 59,962	\$ 56,813
Interest	2,261	6,655
Operating lease costs	149,881	202,781
<b>Total lease costs</b>	<b>\$ 212,104</b>	<b>\$ 266,249</b>

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 9: Leases (Continued)

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 2,261	\$ 6,655
Operating cash flows from operating leases	165,070	195,617
Financing cash flows from finance leases	60,944	54,201
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 204,745	\$ -
Derecognition of right-of-use assets and operating lease liabilities from lease termination	\$ 192,543	\$ -

Other information:

Weighted-average remaining lease term in years - Finance leases	1.1	2.0
Weighted-average remaining lease term in years - Operating leases	1.3	2.4
Weighted-average discount rate - Finance leases	2.44 %	4.37 %
Weighted-average discount rate - Operating leases	3.87 %	5.00 %

Maturities of lease liabilities are as follows as of December 31, 2025:

	Operating	Finance	Totals
2026	\$ 106,550	\$ 54,656	\$ 161,206
2027	26,638	11,465	38,103
Total lease payments	133,188	66,121	199,309
Less imputed interest	(3,375)	(1,292)	(4,667)
<b>Total</b>	<b>\$ 129,813</b>	<b>\$ 64,829</b>	<b>\$ 194,642</b>

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

### Note 10: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2025	2024
Strategic	\$ 20,000	\$ -
Behavioral health	218,750	293,754
Children and youth	2,411,472	921,751
Family services	51,563	-
Economic prosperity	670,667	354,809
Community health	337,864	316,820
Community engagement	20,830	70,831
Special events	3,000	2,500
Capital - Maria Project	115,000	2,139,872
Net assets held in perpetuity	\$ 13,500	\$ 13,500
<b>Total net assets with donor restrictions</b>	<b>\$ 3,862,646</b>	<b>\$ 4,113,837</b>

Net assets released from donor restrictions were as follows for the years ended December 31:

	2025	2024
Restrictions for time	\$ -	\$ 137,500
Purpose-Restricted:		
Strategic	100,000	50,000
Behavioral health	125,004	291,660
Children and Youth	888,200	254,500
Family services	88,188	20,000
Economic prosperity	917,393	677,989
Community health	339,619	194,318
Community engagement	57,000	38,000
Special events	2,500	-
Capital - Maria Project	2,254,871	-
<b>Total purpose-restricted</b>	<b>\$ 4,772,775</b>	<b>\$ 1,526,467</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 4,772,775</b>	<b>\$ 1,663,967</b>

# Comunidades Latinas Unidas En Servicio

## Notes to Consolidated Financial Statements

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### **Note 11: In-Kind Revenue**

The Organization receives in-kind services in the form of volunteer tutoring for English as a Second Language (ESL), Basic Literacy (in Spanish), Citizenship courses, CD Counseling, Outpatient Psychotherapy, Case Management, Interns, Child Care, and Clerical and Research work. In 2025 and 2024, the Organization received 7,547 and 13,043 volunteer hours, respectively, at estimated hourly rates of \$21 to \$16 based on the fair value of the services provided. The value of the volunteer time was \$182,662 and \$173,262 for the years ended December 31, 2025 and 2024.

The Organization also received in-kind donations of various supply items. The supply items are valued by the donor based on the market value of the supplies at the time of donation. The value of donated supplies was \$68,487 and \$13,141 for the years ended December 31, 2025 and 2024.

The in-kind received was without donor restrictions.

### **Note 12: Self-Funded Health Insurance**

The Organization sponsors self-funded health insurance for employees and their dependents. The health insurance expense is based upon actual claims paid, administration fees, and provisions for unpaid and unreported claims at year-end. Employer-paid health insurance expense was \$1,612,113 and \$1,043,659 for the years ended December 31, 2025 and 2024. The Organization's exposure is limited with a stop-loss insurance policy for claims in excess of \$40,000 per insured and an aggregate policy maximum reimbursement of \$1,000,000 as of December 31, 2025.

## **Supplementary Information**

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# Comunidades Latinas Unidas En Servicio

## Consolidating Statement of Financial Position

<i>December 31, 2025</i>	CLUES	CREHC	Eliminations	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,888,193	\$ -	\$ -	\$ 4,888,193
Program receivables, net	1,524,195	-	-	1,524,195
Grant receivables	1,185,300	-	-	1,185,300
Prepaid and other assets	294,342	-	-	294,342
Right of use assets, operating leases - Net	129,813	-	-	129,813
Right of use assets, finance leases - Net	62,183	-	-	62,183
Property and equipment, net	13,261,216	-	-	13,261,216
<b>Total assets</b>	<b>21,345,242</b>	<b>-</b>	<b>-</b>	<b>21,345,242</b>
<b>Liabilities:</b>				
Accounts payable	169,716	-	-	169,716
Accrued expenses	632,428	-	-	632,428
Unearned grant revenue	1,916,440	-	-	1,916,440
Lease liabilities, operating leases	129,813	-	-	129,813
Lease liabilities, finance leases	64,829	-	-	64,829
Other debt	423,532	-	-	423,532
<b>Total liabilities</b>	<b>3,336,758</b>	<b>-</b>	<b>-</b>	<b>3,336,758</b>
<b>Net assets</b>				
Without donor restrictions	14,145,838	-	-	14,145,838
With donor restrictions	3,862,646	-	-	3,862,646
<b>Total net assets</b>	<b>18,008,484</b>	<b>-</b>	<b>-</b>	<b>18,008,484</b>
<b>Total liabilities and net assets</b>	<b>\$ 21,345,242</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,345,242</b>

See Independent Auditor's Report.

# Comunidades Latinas Unidas En Servicio

## Consolidating Statement of Activities

<i>Year Ended December 31, 2025</i>	CLUES	CREHC	Eliminations	Total
<b>Support and revenue:</b>				
Government grants	\$ 8,298,090	\$ -	\$ -	\$ 8,298,090
Private grants and contributions	5,815,988	-	(1,792,059)	4,023,929
Contracts for services	533,838	-	-	533,838
Clinic PPS revenue	1,754,312	-	-	1,754,312
Private insurance	159,788	-	-	159,788
Client fees	34,905	-	-	34,905
In-kind revenue	251,149	-	-	251,149
Miscellaneous income	640,550	183,876	-	824,426
<b>Total support and revenue</b>	<b>17,488,620</b>	<b>183,876</b>	<b>(1,792,059)</b>	<b>15,880,437</b>
<b>Expenses:</b>				
Program services	12,045,327	2,177,345	(1,792,059)	12,430,613
<b>Support services:</b>				
Management and general	2,835,248	-	-	2,835,248
Fundraising	722,439	-	-	722,439
<b>Total expense</b>	<b>15,603,014</b>	<b>2,177,345</b>	<b>(1,792,059)</b>	<b>15,988,300</b>
<b>Change in net assets before other changes in net assets</b>	<b>1,885,606</b>	<b>(1,993,469)</b>	<b>-</b>	<b>(107,863)</b>
<b>Other changes in net assets</b>				
Gain on termination of NMTC transactions	1,455,406	-	-	1,455,406
Contributions for capital assets	3,044,337	-	-	3,044,337
<b>Changes in net assets</b>	<b>6,385,349</b>	<b>(1,993,469)</b>	<b>-</b>	<b>4,391,880</b>
<b>Net assets, beginning of year</b>	<b>11,623,135</b>	<b>1,993,469</b>	<b>-</b>	<b>13,616,604</b>
<b>Net assets, end of year</b>	<b>\$ 18,008,484</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,008,484</b>

See Independent Auditor's Report.

# Comunidades Latinas Unidas En Servicio

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Identifying Number	Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>			
<b>Passed through the State of Minnesota Department of Agriculture:</b>			
Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	10.182	B0423F516914	\$ <b>233,317</b>
<b>Passed through the State of Minnesota Department of Human Services:</b>			
<b>SNAP Cluster</b>			
Supplemental Nutrition Assistance Program	10.551	146220	23,024
Supplemental Nutrition Assistance Program	10.551	146220	97,847
<b>Subtotal SNAP Cluster AL #10.551</b>			<b>120,871</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>Passed through Unidos US:</b>			
Housing Counseling	14.169	N/A	<b>30,402</b>
<b>Passed through the City of Minneapolis:</b>			
<b>CDBG Entitlement/Special Purpose Grants Cluster</b>			
Employment and Training Contract	14.218	COM0003849	<b>14,600</b>
<b>Passed through the State of Minnesota Department of Human Services:</b>			
Emergency Solutions Grant	14.231	189413	<b>416,579</b>
<b>Passed through the Local Initiatives Support Corporation:</b>			
Capacity Building for Community Development and Affordable Housing	14.252	T3LVDJQMMWA1	<b>29,051</b>
<b>DEPARTMENT OF JUSTICE</b>			
<b>Passed through the Minnesota Department of Public Safety:</b>			
Career Dislocated Worker Grant	16.017	A-CVSV-2019-CLUES-00004	<b>128,398</b>
<b>Direct:</b>			
Supplemental Nutrition Assistance Program	16.023	2016-KS-AX-0005	67,977
Supplemental Nutrition Assistance Program	16.023	2016-KS-AX-0005	139,239
<b>Subtotal AL #16.023</b>			<b>207,216</b>
<b>DEPARTMENT OF THE TREASURY</b>			
<b>Direct:</b>			
Volunteer Income Tax Assistance (VITA) -Matching	21.009	20-2009	<b>32,659</b>
<b>Passed through the State of Minnesota Department of Health:</b>			
COVID-19 - Coronavirus Relief Fund	21.019	184475	25,431
<b>Passed through the State of Minnesota Department of Education:</b>			
COVID-19 - Coronavirus Relief Fund	21.019	CPFFN0179	254,486
<b>Subtotal AL #21.019</b>			<b>279,917</b>
<b>Passed through the State of Minnesota Department of Housing Finance Agency:</b>			
COVID-19 - Emergency Rental Assistance	21.023	N/A	<b>14,115</b>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>			
<b>Direct:</b>			
Grants for Arts Projects, Folk & Traditional Arts	45.024	1920401-55-24	<b>468</b>

See Notes to Schedule of Expenditures of Federal Awards.  
See Independent Auditor's Report.

# Comunidades Latinas Unidas En Servicio

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Identifying Number	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed through the State of Minnesota Department of Health:</b>			
Temporary Assistance to Needy Families (TANF)	93.558	N/A	<b>197,060</b>
<b>Direct:</b>			
<b>CCDF Cluster</b>			
FFN Direct Support - CLUES	93.575	T3LVDJQMMWA1	<b>194,441</b>
<b>Passed through the State of Minnesota Department of Health:</b>			
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X1043589	<b>255,975</b>
<b>Passed through the State of Minnesota Department of Human Services:</b>			
Block Grants for Community Mental Health Services	93.958	150272	<b>1,041,087</b>
<b>Passed through the State of Minnesota Department of Human Services:</b>			
Substance Use Block Grant	93.959	150272	<b>446,640</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
<b>Passed through the State of Minnesota Alliance for Volunteer Advancement:</b>			
AmeriCorps Volunteer Generation Fund	94.021	N/A	<b>5,580</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ <u>3,648,376</u></b>

See Notes to Schedule of Expenditures of Federal Awards.  
See Independent Auditor's Report.

# Comunidades Latinas Unidas En Servicio

## Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

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### **Note 1: General**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Comunidades Latinas Unidas En Servicio under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Comunidades Latinas Unidas En Servicio, it is not intended to and does not present the financial position, changes in net assets or cash flows of Comunidades Latinas Unidas En Servicio.

### **Note 2: Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### **Note 3: Indirect Cost Rate**

Comunidades Latinas Unidas En Servicio has not elected to use the de minimis indirect cost rate of up to 15-percent allowed under the Uniform Guidance.

### **Note 4: Sub-Recipients**

Comunidades Latinas Unidas En Servicio does not have any sub-recipients of federal awards.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Comunidades Latinas Unidas En Servicio  
St. Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Comunidades Latinas Unidas En Servicio, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated May 27, 2026. The financial statements of CLUES Real Estate Holding Company were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with CLUES Real Estate Holding Company.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Comunidades Latinas Unidas En Servicio's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio's internal control. Accordingly, we do not express an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of Comunidades Latinas Unidas En Servicio's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comunidades Latinas Unidas En Servicio's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Comunidades Latinas Unidas En Servicio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Wipfli LLP is written in a black, cursive script font. The word "Wipfli" is in a larger, more decorative script, and "LLP" is in a smaller, simpler sans-serif font to its right.

Wipfli LLP

Madison, Wisconsin

May 27, 2026

## **Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Comunidades Latinas Unidas En Servicio  
St. Paul, Minnesota

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Comunidades Latinas Unidas En Servicio's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2025. Comunidades Latinas Unidas En Servicio's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Comunidades Latinas Unidas En Servicio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Comunidades Latinas Unidas En Servicio and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Comunidades Latinas Unidas En Servicio's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Comunidades Latinas Unidas En Servicio's federal programs.

## ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Comunidades Latinas Unidas En Servicio's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Comunidades Latinas Unidas En Servicio's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Comunidades Latinas Unidas En Servicio's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Comunidades Latinas Unidas En Servicio's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control Over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

Madison, Wisconsin

May 27, 2026

# Comunidades Latinas Unidas En Servicio

## Schedule of Findings and Questioned Costs

Year Ended December 31, 2025

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

Internal control over the major program:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

#### Identification of major program

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
93.958	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee?

Yes  No

# **Comunidades Latinas Unidas En Servicio**

## **Schedule of Findings and Questioned Costs**

Year Ended December 31, 2025

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### **Section II - Audit Findings in Relation to Financial Statements**

No findings related to the financial statements.

### **Section III - Audit Findings and Questioned Costs in Relation to Federal Awards**

No findings or questioned costs related to federal awards.

### **Section IV - Summary of Prior Year Audit Findings**

None