

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.

**FINANCIAL STATEMENTS AND
SINGLE AUDIT COMPLIANCE REPORTS**

YEARS ENDED DECEMBER 31, 2010 AND 2009

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Comunidades Latinas Unidas En Servicio, Inc. (the Organization) for the years ended December 31, 2010 and 2009, and the related statements of activity, functional expense, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comunidades Latinas Unidas En Servicio, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2011, on our consideration of Comunidades Latinas Unidas En Servicio, Inc.'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Comunidades Latinas Unidas En Servicio, Inc., Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
March 28, 2011



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COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
BALANCE SHEETS
DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 491,714	\$ 86,454
Accounts Receivable, Net of Allowance	541,394	568,117
Grants Receivable - Current Portion	24,500	70,000
Pledges Receivable - Current Portion	61,130	74,950
Prepaid Expenses	64,270	34,555
Total Current Assets	1,183,008	834,076
OTHER ASSETS		
Pledges Receivable, Net of Current Portion, Discount and Allowance	59,000	61,182
LAND, BUILDINGS AND EQUIPMENT		
(Net of Accumulated Depreciation at December 31, 2010 and 2009 of \$1,943,407 and \$1,710,725, Respectively)	4,578,764	4,768,434
Total Assets	\$ 5,820,772	\$ 5,663,692
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Other Accrued Liabilities	\$ 59,243	\$ 57,169
Accrued Wages and Payroll Taxes	58,807	35,961
Accrued Vacation	119,211	101,272
Other Liabilities	62,400	73,844
Line of Credit	-	65,000
Current Portion of Long-Term Debt	193,427	145,317
Total Current Liabilities	493,088	478,563
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Portion	534,167	707,956
Total Liabilities	1,027,255	1,186,519
NET ASSETS		
Unrestricted:		
Undesignated	72,608	(327,493)
Designated - Property and Equipment	3,851,170	3,915,161
Total Unrestricted	3,923,778	3,587,668
Temporarily Restricted	856,239	876,005
Permanently Restricted	13,500	13,500
Total Net Assets	4,793,517	4,477,173
Total Liabilities and Net Assets	\$ 5,820,772	\$ 5,663,692

See accompanying Notes to Financial Statements.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
STATEMENTS OF ACTIVITY
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT AND REVENUE				
Government Grants	\$ 2,995,154	\$ -	\$ -	\$ 2,995,154
Contributions	1,443,926	461,519	-	1,905,445
Interest	558	-	-	558
Client Paid and Private Insurance	520,539	-	-	520,539
Rental Income	234,712	-	-	234,712
In-Kind Contributions	306,105	-	-	306,105
Miscellaneous Income	23,954	-	-	23,954
Total Support and Revenue	<u>5,524,948</u>	<u>461,519</u>	<u>-</u>	<u>5,986,467</u>
Net Assets Released from Restrictions	<u>481,285</u>	<u>(481,285)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	6,006,233	(19,766)	-	5,986,467
EXPENSE				
Program Services	4,566,181	-	-	4,566,181
Support Services:				
Management and General	626,234	-	-	626,234
Fundraising	477,708	-	-	477,708
Total Support Services	<u>1,103,942</u>	<u>-</u>	<u>-</u>	<u>1,103,942</u>
Total Expense	<u>5,670,123</u>	<u>-</u>	<u>-</u>	<u>5,670,123</u>
CHANGE IN NET ASSETS	336,110	(19,766)	-	316,344
Net Assets - Beginning of Year	<u>3,587,668</u>	<u>876,005</u>	<u>13,500</u>	<u>4,477,173</u>
NET ASSETS - END OF YEAR	<u>\$ 3,923,778</u>	<u>\$ 856,239</u>	<u>\$ 13,500</u>	<u>\$ 4,793,517</u>

See accompanying Notes to Financial Statements.

2009

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 2,810,947	\$ -	\$ -	\$ 2,810,947
1,241,804	64,741	-	1,306,545
511	-	-	511
530,629	-	-	530,629
181,511	-	-	181,511
256,826	-	-	256,826
26,150	-	-	26,150
<u>5,048,378</u>	<u>64,741</u>	<u>-</u>	<u>5,113,119</u>
518,236	(518,236)	-	-
<u>5,566,614</u>	<u>(453,495)</u>	<u>-</u>	<u>5,113,119</u>
4,407,861	-	-	4,407,861
543,234	-	-	543,234
452,214	-	-	452,214
<u>995,448</u>	<u>-</u>	<u>-</u>	<u>995,448</u>
<u>5,403,309</u>	<u>-</u>	<u>-</u>	<u>5,403,309</u>
163,305	(453,495)	-	(290,190)
<u>3,424,363</u>	<u>1,329,500</u>	<u>13,500</u>	<u>4,767,363</u>
<u>\$ 3,587,668</u>	<u>\$ 876,005</u>	<u>\$ 13,500</u>	<u>\$ 4,477,173</u>

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
STATEMENTS OF FUNCTIONAL EXPENSE
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			Total
	Program	Management and General	Fundraising	
Salaries and Wages	\$ 2,373,684	\$ 177,059	\$ 268,170	\$ 2,818,913
Payroll Taxes and Fringe Benefits	554,484	91,744	48,343	694,571
Consultants and Professional Fees	313,358	57,059	68,017	438,434
Travel	51,465	3,054	430	54,949
Occupancy Costs	443,828	23,413	30,919	498,160
Supplies	101,547	24,988	15,040	141,575
Equipment Rental and Maintenance	23,148	1,753	866	25,767
Telephone	43,069	4,186	1,953	49,208
Insurance	20,897	28,253	1,467	50,617
Conferences and Training	35,083	11,410	5,309	51,802
Financial Assistance and Client Transportation	178,904	-	-	178,904
Subscriptions and Dues	6,936	5,889	6,105	18,930
Printing and Postage	28,539	3,067	15,106	46,712
Interest	-	47,954	-	47,954
Other	7,789	6,797	5,636	20,222
In-Kind Services	296,325	240	4,160	300,725
Total Expense before Depreciation	4,479,056	486,866	471,521	5,437,443
Depreciation	87,125	139,368	6,187	232,680
Total Expense	\$ 4,566,181	\$ 626,234	\$ 477,708	\$ 5,670,123
Percentage of Total Expense	80.5%	11.0%	8.5%	100.0%

See accompanying Notes to Financial Statements.

2009

Program	Management and General	Fundraising	Total
\$ 2,245,371	\$ 154,232	\$ 260,666	\$ 2,660,269
527,685	85,354	47,788	660,827
345,699	34,513	78,501	458,713
47,853	3,748	600	52,201
476,721	4,329	35,038	516,088
143,568	11,290	4,141	158,999
13,874	1,140	896	15,910
50,318	3,811	2,819	56,948
19,972	2,611	1,422	24,005
18,948	11,117	3,407	33,472
129,768	-	-	129,768
7,613	1,869	1,164	10,646
28,587	3,462	2,958	35,007
-	56,975	-	56,975
1,999	29,644	5,587	37,230
255,022	-	-	255,022
4,312,998	404,095	444,987	5,162,080
94,863	139,139	7,227	241,229
<u>\$ 4,407,861</u>	<u>\$ 543,234</u>	<u>\$ 452,214</u>	<u>\$ 5,403,309</u>
81.6%	10.1%	8.3%	100.0%

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 316,344	\$ (290,190)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	232,680	241,229
Amortization of Discount on Long-Term Debt	20,420	20,752
Forgiveness of Debt	(26,100)	(26,100)
(Increase) Decrease in Current Assets:		
Accounts Receivable	26,723	(193,879)
Grants Receivable	45,500	109,060
Pledges Receivable	(163,998)	113,588
Prepaid Expense	(29,715)	(10,281)
Increase (Decrease) in Current Liabilities:		
Accounts Payable and Other Accrued Liabilities	2,074	21,477
Accrued Wages and Payroll Taxes	22,846	(20,568)
Accrued Vacation	17,939	3,733
Other Liabilities	(11,444)	13,844
Net Cash Provided (Used) by Operating Activities	453,269	(17,335)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(43,010)	(23,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Line of Credit (Advances) Proceeds	(65,000)	65,000
Cash Received for Capital Campaign	180,000	125,000
Payments on Long-Term Debt	(119,999)	(158,626)
Net Cash Provided (Used) by Financing Activities	(4,999)	31,374
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	405,260	(9,817)
Cash and Cash Equivalents - Beginning of Year	86,454	96,271
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 491,714	\$ 86,454
SUPPLEMENTAL INFORMATION		
Interest Paid	\$ 27,534	\$ 36,223
In-Kind Goods and Services	\$ 306,105	\$ 256,826

See accompanying Notes to Financial Statements.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity and Background

Comunidades Latinas Unidas En Servicio, Inc. (CLUES) is a 501(c)3 nonprofit established in 1981 with the mission “to enhance the quality of life of Latinos in Minnesota.” As a hybrid organization that consists of both health services and human services, CLUES works under a family-centric coordinated care model to serve its clients. On the health services side of the business, CLUES offers mental health therapy, chemical health counseling, a health promotion program, an adult day center and family reunification services. On the human services side, the economic advancement services offered include employment training, language learning, financial literacy coaching, and parent/child interaction and mentoring services. The geographic reach of the agency goes throughout the metro area and its seven counties with nearly all of its services, and the Community Health Worker Services are offered in the metro, rural areas and beyond.

The language appropriate and culturally competent services rendered by the organization, meet the Federal government’s mandated CLAS (Culturally and Linguistically Appropriate Services) standards. CLUES serves well over fourteen different languages. Its multilingual staff is committed to the holistic treatment of individuals and their families as the clients’ needs are often complex and culturally-sensitive.

It is often quite traumatic for newcomers to make life adjustments according to the United States’ values and regulations when they arrive here. Newcomers, with the transition from one culture to another, often encounter significant hardships that may include family separation, culture shock, lack of employment, increased levels of stress, deprivation of basic needs, racism, substandard living conditions, violence, and poverty. However, the immigrant community is resilient, hard working and very much willing to learn about the customs and traditions of their new country.

The CLUES organization is even broader in scope and more comprehensive in services than what has been described thus far. Below is a complete listing and description of the services offered by CLUES.

Mental Health Services

CLUES Mental Health Services address the mental health needs of all age groups, providing a high standard of person-centered care to promote overall individual and family well-being. We offer individual and family counseling and a support group for Latina adolescents in order to ease acculturation and create stable, healthy families and support networks. Additionally, we provide diagnostic assessments, youth case management, a sexual assault program, and community outreach and advocacy. CLUES Mental Health Services represent a safe and dignified environment where staff treat clients with respect and understanding as they overcome barriers and work toward optimal mental health.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business Activity and Background (Continued)

Chemical Health Services

CLUES is a Rule 31 Clinic, which means it is licensed by the State of Minnesota, at the highest threshold of clinical care as an outpatient chemical health facility. The services provided by this Division include the following: Chemical health assessments, culturally-specific outpatient treatment, and Alcoholics Anonymous (AA) group therapy for Latino adults. The Division also provides chemical health prevention education through culturally-appropriate materials. Together with the Mental Health Services of CLUES, the Chemical Health Services works in partnership to provide dual-diagnostic, co-therapeutic services through the Mental Illness Chemical Dependency program. With access to a psychiatrist and psychologists for family, individual, and group therapy and counseling, in addition to Licensed Alcohol and Drug Counselors (LADCs), clients are able to receive comprehensive support and services.

Aging Well Services

Highlighted in a national research study done by United Health Group's Evercare, Aging Well Services help older Latino adults improve their physical, emotional, and spiritual well-being through socialization, meaningful activities, and education on disease management and prevention. Increased community interaction and learning opportunities for older Hispanic Americans and their caregivers on issues including health and wellness, special transportation, day center services, and advocacy are also provided.

Economic Advancement Services

Nationally recognized by the Annie E. Casey Foundation and National Council of the Raza (NCLR), the Economic Advancement Services Division highlights education, employment, and financial empowerment programs that assist Latino individuals and families to overcome barriers to economic prosperity. Programs are coordinated to help clients progress along the self-sufficiency continuum as they increase English-language literacy and education levels, obtain and retain better jobs, learn to save, and accumulate assets. This Division also supports the Learning Together Program, a youth and adult mentoring program that teaches newcomers about the value of post-secondary education, and how to navigate other systems in the United States, for example, the legal and healthcare systems.

Community Health Worker Services

The Community Health Workers, both adults and youth, are elected from the Latino community as leaders who can make a difference in the lives of the people they serve. Supported financially by Blue Cross and Blue Shield and other corporations and foundations, these individuals educate their peers, families, and communities about the adverse health effects of tobacco use, obesity, breast and cervical cancer, diabetes and heart disease. Also a national award winner, the Community Health Workers Division has published many articles and documents such as the "DREGAN" (Diverse, Racial and Ethnic Groups and Nations) and "Health Disparities Face of Latino Families." (Both publications are posted at www.clues.org.)

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business Activity and Background (Continued)

Family Services

CLUES provides in-home family services in the form of life-skills training to improve home functioning, parenting skills services to educate parents about child-rearing, parenting support, case management and activities for fathers in partnership with Goodwill EasterSeals. CLUES provides sexual assault prevention, intervention, safety planning, counseling, and follow-up ancillary services to help survivors overcome their circumstances.

CLUES is funded by the government (45 different programs all under the six aforementioned divisions), foundations, corporations, United Way, and individual donors.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Organization. The donors of these resources permitted the Organization to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

The Organization has elected to present temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted net asset class.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and investments with original maturities of three months or less.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Grants, accounts and pledges receivable are stated at net realizable value. At December 31, 2010 and 2009, the Organization recorded an allowance for uncollectible accounts in the amount of \$2,392 and \$2,058, respectively, which is based on management judgment considering historical information. Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts 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 are not included as support until such time as the conditions are substantially met. The Organization received two conditional gifts totaling \$60,000 at the end of 2009. The conditions are to match the contribution with new gifts in 2010. As of December 31, 2010, these conditions were met.

Land, Buildings and Equipment

Purchased land, buildings and equipment are recorded at cost. Contributed items are recorded at fair market value at 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 land, buildings and equipment are recorded as unrestricted. Depreciation of land, buildings and equipment is computed on a straight-line basis over the estimated service lives of the asset. The Organization capitalizes items which are greater than \$2,000.

Loan Financing Costs

At December 31, 2010 and 2009, loan financing costs of \$89,328 were included in building and equipment and amortized using the straight-line method over the assumed forty-year term of the loan. Accumulated amortization was \$13,310 and \$11,077 for the years ended December 31, 2010 and 2009, respectively.

Tax Exempt 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 elected to defer the income tax standard regarding the recognition and measurement of uncertain tax positions.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Exempt Status (Continued)

Effective January 1, 2009, 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. The tax returns for the years 2006 through 2009 are open to examination by federal authorities.

Functional Allocation of Expense

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

In-Kind Contributions

Contributions of products donated to the Organization are recorded at fair market value at the time they are received. Donated services are valued at a predetermined or estimated rate commensurate with the work performed.

Fair Value Measurements

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Organization follows the accounting policy which measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The Organization currently does not have any financial assets or financial liabilities that are measured at fair value on a recurring or non-recurring basis.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expense. Actual results could vary from the estimates that were used.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 28, 2011.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

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

NOTE 3 GRANTS RECEIVABLE

Grants receivable consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Cash Amounts Due Within One Year	<u>\$ 24,500</u>	<u>\$ 70,000</u>

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Unconditional Promises to Give:		
Katherine B. Anderson Foundation	\$ -	\$ 130,000
Ecolab Foundation	75,000	-
Wells Fargo Foundation	23,000	-
Individuals	24,000	7,975
Subtotal	<u>122,000</u>	<u>137,975</u>
Less: Discount	<u>(1,870)</u>	<u>(1,843)</u>
	120,130	136,132
Less: Current Portion	<u>61,130</u>	<u>74,950</u>
Long-Term Portion	<u>\$ 59,000</u>	<u>\$ 61,182</u>
Cash Amounts Due In:		
Within One Year	\$ 61,130	\$ 74,950
One to Five Years	60,870	63,025
Total	<u>\$ 122,000</u>	<u>\$ 137,975</u>

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 5 LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment as of December 31 consist of:

	<u>2010</u>	<u>2009</u>
Land	\$ 866,882	\$ 866,882
Building	3,641,506	3,641,506
Vehicles	58,695	58,695
Furniture and Equipment	1,403,685	1,379,339
Software	180,374	180,374
Construction in Progress	371,029	352,363
Accumulated Depreciation	<u>(1,943,407)</u>	<u>(1,710,725)</u>
Total	<u>\$ 4,578,764</u>	<u>\$ 4,768,434</u>

NOTE 6 LONG-TERM DEBT

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

<u>Description</u>	<u>2010</u>	<u>2009</u>
The Organization 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.	\$ 417,000	\$ 417,000
Unamortized discount on the above loan at imputed interest rate of 6.06%.	(293,836)	(301,060)
The Organization received a loan from the Housing and Redevelopment Authority of the City of St. Paul, Minnesota on June 14, 2005 in the amount of \$261,000. This loan bears interest on 0% and is forgivable at 10% per year commencing in 2006 and continuing through 2015. 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.	130,500	156,600
Unamortized discount on the above loan at imputed interest rate of 6.06%.	(17,657)	(24,977)

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>2010</u>	<u>2009</u>
The Organization 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% will begin in 2015 and continue through 2030. 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.	170,000	170,000
Unamortized discount on the above loan at imputed interest rate of 6.06%.	(69,836)	(75,712)
In March 2010, the Organization refinanced an existing construction loan with Bremer Bank, interest is fixed at 5.70%, with monthly interest and principal payments of \$15,459. The loan matures on March 17, 2013. The loan is secured by property located in Ramsey County.	<u>391,423</u>	<u>511,422</u>
Total	727,594	853,273
Less: Current Maturities	<u>193,427</u>	<u>145,317</u>
Long-Term Debt	<u>\$ 534,167</u>	<u>\$ 707,956</u>

The security interests of the Housing and Redevelopment Authority of the City of St. Paul are subordinate to the security interest of the lender of the Construction Loan.

The maturity requirements on long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 193,427
2012	203,326
2013	72,970
2014	26,100
2015	26,100
Thereafter	<u>587,000</u>
Total Long-Term Debt	1,108,923
Less: Current Portion	193,427
Less: Unamortized Discounts	<u>381,329</u>
Long-Term Portion	<u>\$ 534,167</u>

The Organization recorded interest expense in the amount of \$47,954 and \$56,975 for the years ended December 31, 2010 and 2009, respectively.

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 7 LINE AND LETTER OF CREDIT

On July 31, 2009, the Organization renewed a revolving line of credit with Bremer Bank to advance up to \$560,000. The line of credit has an advance rate of 5.00% at December 31, 2010. Borrowings are secured by the Organization's inventory, equipment, accounts receivable, and general intangibles. Advances under the line of credit were \$-0- and \$65,000 as of December 31, 2010 and 2009, respectively.

The Organization renewed an irrevocable standby letter of credit for an amount not to exceed \$20,000, and bearing interest at 10%. The letter of credit expires on August 31, 2011. Advances on the letter of credit were \$-0- at December 31, 2010 and 2009. The letter of credit reduces availability on the revolving line of credit by the full amount of the letter regardless of advances. Accordingly, only \$540,000 of the \$560,000 line of credit could have been advanced as of December 31, 2010 and 2009.

NOTE 8 LEASE INCOME

The Organization receives rental income from various tenants with commitments signed through 2015. Future rental minimal lease payments expected to be received are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 126,150
2012	129,238
2013	132,327
2014	135,415
2015	56,959
Total	<u>\$ 580,089</u>

NOTE 9 OPERATING LEASES

The Organization rents one facility under a lease dated September 1, 2006 for a seven-year lease which expires in 2013. The rent expense for the years ended December 31, 2010 and 2009 was \$319,990 and \$322,883, respectively. The Organization also entered into a lease agreement for rental of a facility beginning in May 2008, which expires in 2016. The following is the future minimum lease payment schedule for the leases noted above:

<u>Year</u>	<u>Amount</u>
2011	\$ 305,148
2012	306,815
2013	218,184
2014	37,697
2015	38,772
Thereafter	94,528
Total	<u>\$ 1,001,144</u>

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 10 TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted

Temporarily restricted net assets as of December 31 consist of the following donor restrictions:

	2010	2009
Time Restricted:		
McKnight Foundation	\$ -	\$ 66,664
City of St. Paul Housing & Redevelopment Authority	381,329	401,749
Otto Bremer Foundation	-	20,000
Purpose Restricted:		
Employment Program:		
State of Minnesota	4,500	3,900
General Mills	10,000	-
Senior Program:		
Steven's Square Foundation	-	12,500
Mental Health Program:		
Ucare Fund of Minnesota Medical Foundation	-	25,584
Family Services Program:		
C & E Pohlad	-	29,167
Pohlad Family Foundation	-	35,000
Health Program:		
Consulate of Mexico	35,000	-
Boston Scientific Foundation	25,000	25,000
Supervalu	5,000	8,171
Medtronic	15,000	20,000
Ucare	12,768	15,000
Bush Foundation	-	16,100
General Mills	10,000	-
Education Program:		
Comcast Foundation	28,022	-
Best Buy	30,000	-
Catholic Community Foundation	2,000	-
Trillium Family Foundation	5,000	-
General Mills	10,000	-
Capital Campaign:		
Individuals	16,175	-
Ecolab Foundation	98,465	-
Katherine B. Anderson Foundation	-	128,158
Administrative:		
Individuals	650	7,975
Jay & Rose Phillips Foundation	23,605	-
McKnight Foundation	35,000	36,037
Mardag Foundation	8,725	-
3M Foundation	100,000	-
Wells Fargo	-	15,000
Pohlad Family Foundation	-	10,000
Total	\$ 856,239	\$ 876,005

**COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 10 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Net Assets Released from Restrictions

Net assets released from donor restrictions were from grants restricted by purpose and time totaling \$481,285 and \$518,236 for the years ended December 31, 2010 and 2009, respectively.

NOTE 11 MAJOR SOURCES OF SUPPORT AND REVENUE

For the years ended December 31, 2010 and 2009, major sources of support and revenue were as follows:

	2010	2009
State of Minnesota	\$ 856,458	\$ 743,473
Hennepin County	580,722	619,976
Ramsey County	1,071,520	859,025

NOTE 12 IN-KIND SERVICES

The Organization receives in-kind services in the form of volunteer tutoring for English as a Second Language (ESL), Basic Literary (in Spanish) and Citizenship courses. In 2010 and 2009, the Organization received 18,299 and 15,132 volunteer hours at an estimated hourly rate of \$25. The organization also received in-kind donations of various supply items. Total in-kind services from course tutors and supply items, classified as program related expenses, totaled \$300,625 and \$255,022 during the years ended December 31, 2010 and 2009, respectively.

NOTE 13 COMMITMENTS

Subsequent to year end, several contracts were signed relating to the remodel project at the St. Paul location that began subsequent to year-end. These contracts included construction, telephone systems, architecture and furniture. Commitments on these contracts totaled \$388,596 as of March 28, 2011. No contracts were signed and no services were received relating to this project prior to December 31, 2010.

LarsonAllen[®] LLP

CPAs, Consultants & Advisors

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our audits of the basic financial statements of Comunidades Latinas Unidas En Servicio, Inc. for 2010 and 2009 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis, and is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the supplementary information and express no opinion on it.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
March 28, 2011

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM - UNRESTRICTED
YEAR ENDED DECEMBER 31, 2010
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Chemical Health	Mental Health	Education	Employment	Health Promotion
SUPPORT AND REVENUE					
Government Grants	\$ 465,939	\$ 521,678	\$ 139,118	\$ 1,310,947	\$ 14,189
Contributions	7,935	70,098	198,459	258,644	282,903
Interest	-	-	-	-	-
Client Paid and Private Insurance	129,188	152,873	2,134	11,314	-
Rent Income	-	-	-	-	-
In-Kind Contributions	32,440	8,334	185,317	42,798	-
Miscellaneous Income	-	304	-	-	-
Net Assets Released from Restrictions	-	25,584	-	18,900	65,176
Total Support and Revenue	<u>635,502</u>	<u>778,871</u>	<u>525,028</u>	<u>1,642,603</u>	<u>362,268</u>
EXPENSE					
Salaries and Wages	373,130	403,216	185,946	745,536	131,666
Payroll Taxes and Fringe Benefits	82,798	96,091	42,567	179,469	24,683
Consultants and Professional Fees	27,670	44,454	11,409	49,982	140,717
Travel	886	11,976	2,751	5,457	9,302
Occupancy Costs	63,093	75,671	33,955	143,963	16,962
Supplies	23,499	6,890	18,983	17,250	2,240
Equipment Rental and Maintenance	3,687	3,588	2,338	7,180	476
Telephone	4,378	8,738	6,383	9,539	1,381
Insurance	2,983	3,579	1,569	6,821	800
Conferences and Training	2,743	2,615	8,433	10,819	7,926
Financial Assistance and Client Transportation	-	655	-	148,532	-
Subscriptions and Dues	1,464	1,839	50	1,000	-
Printing and Postage	4,656	4,382	3,173	10,161	794
Interest	-	-	-	-	-
Other	90	475	5,141	1,365	199
In-Kind Services	32,440	7,077	182,138	42,798	-
Depreciation	12,613	15,134	6,660	28,843	3,384
Total Expense before Capital Campaign	<u>636,130</u>	<u>686,380</u>	<u>511,496</u>	<u>1,408,715</u>	<u>340,530</u>
Program Development Cost Allocation	24,000	28,800	12,675	54,825	6,450
Administrative Expense Allocation	<u>56,744</u>	<u>68,079</u>	<u>29,974</u>	<u>129,584</u>	<u>15,261</u>
CHANGE IN NET ASSETS	<u>\$ (81,372)</u>	<u>\$ (4,388)</u>	<u>\$ (29,117)</u>	<u>\$ 49,479</u>	<u>\$ 27</u>

Aging Well Services	Family Services	Total Program	Management and General	Capital Campaign & Fundraising	Total
\$ 164,826	\$ 378,457	\$ 2,995,154	\$ -	\$ -	\$ 2,995,154
66,573	233,117	1,117,729	85,413	405,006	1,608,148
-	-	-	558	-	558
219,805	72	515,386	5,153	-	520,539
-	-	-	234,712	4,160	238,872
31,897	-	300,786	1,159	-	301,945
-	-	304	23,650	-	23,954
32,500	64,167	206,327	110,736	-	317,063
<u>515,601</u>	<u>675,813</u>	<u>5,135,686</u>	<u>461,381</u>	<u>409,166</u>	<u>6,006,233</u>
214,053	320,137	2,373,684	177,059	268,170	2,818,913
53,165	75,711	554,484	91,744	48,342	694,570
24,006	15,120	313,358	57,059	68,017	438,434
1,853	19,240	51,465	3,054	430	54,949
50,872	59,312	443,828	23,413	30,920	498,161
29,199	3,486	101,547	24,988	15,040	141,575
2,674	3,205	23,148	1,753	866	25,767
5,584	7,066	43,069	4,186	1,953	49,208
2,345	2,800	20,897	28,253	1,467	50,617
1,164	1,383	35,083	11,410	5,309	51,802
15,086	14,631	178,904	-	-	178,904
1,838	745	6,936	5,889	6,105	18,930
1,819	3,554	28,539	3,067	15,106	46,712
-	-	-	47,954	-	47,954
132	387	7,789	6,797	5,630	20,216
31,872	-	296,325	240	4,165	300,730
8,622	11,869	87,125	139,368	6,188	232,681
<u>444,284</u>	<u>538,646</u>	<u>4,566,181</u>	<u>626,234</u>	<u>477,708</u>	<u>5,670,123</u>
16,425	22,575	165,750	-	(165,750)	-
<u>38,822</u>	<u>53,331</u>	<u>391,795</u>	<u>(391,795)</u>	<u>-</u>	<u>-</u>
<u>\$ 16,070</u>	<u>\$ 61,261</u>	<u>\$ 11,960</u>	<u>\$ 226,942</u>	<u>\$ 97,208</u>	<u>\$ 336,110</u>

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, Inc.
St. Paul, Minnesota

We have audited the financial statements of Comunidades Latinas Unidas En Servicio, Inc. as of and for the year ended December 31, 2010 and have issued our report thereon dated March 28, 2011. We conducted our audit 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Comunidades Latinas Unidas En Servicio, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Comunidades Latinas Unidas En Servicio, Inc.'s financial statements are free of 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of Comunidades Latinas Unidas En Servicio, Inc. in a separate letter dated March 28, 2011.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Larson Allen LLP
LarsonAllen LLP

Minneapolis, Minnesota
March 28, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

COMPLIANCE

We have audited Comunidades Latinas Unidas En Servicio, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Comunidades Latinas Unidas En Servicio, Inc.'s major federal programs for the year ended December 31, 2010. Comunidades Latinas Unidas En Servicio, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Comunidades Latinas Unidas En Servicio, Inc.'s management. Our responsibility is to express an opinion on Comunidades Latinas Unidas En Servicio, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Comunidades Latinas Unidas En Servicio, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Comunidades Latinas Unidas En Servicio, Inc.'s compliance with those requirements.

In our opinion, Comunidades Latinas Unidas En Servicio, Inc. complied, in all material respects, with the requirements referred to above could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

INTERNAL CONTROL OVER COMPLIANCE

Management of Comunidades Latinas Unidas En Servicio, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Comunidades Latinas Unidas En Servicio, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Comunidades Latinas Unidas En Servicio, Inc.'s 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Larson Allen LLP
LarsonAllen LLP

Minneapolis, Minnesota
March 28, 2011

COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010

Federal Grantor/Program Title	Federal CFDA Number	Contract Number	Grant Period	Expenditures
U.S. Department of Health and Human Services:				
Passed through:				
Minnesota Department of Health and Human Services:				
Hennepin County Minnesota Family Investment Program	93.558	A051883	01/01/10 - 12/31/10	\$ 314,782
Ramsey County Minnesota Family Investment Program	93.558	G201508	01/01/10 - 12/31/10	<u>831,012</u>
				1,145,794
Minnesota Governor's Council on Developmental Disabilities:				
Development Disabilities	93.630	B03777	08/22/09 - 08/19/10	28,338
Development Disabilities	93.630	B48300	08/19/10 - 08/15/11	<u>4,321</u>
				32,659
Goodwill Easterseals Minnesota:				
Healthy Marriage and Responsible Fatherhood	93.086	90FR0068	10/01/09 - 09/30/10	66,890
Healthy Marriage and Responsible Fatherhood	93.086	90FR0068	10/01/10 - 09/30/11	<u>24,131</u>
				91,021
Metropolitan Area Agency on Aging:				
Title III-B Older Americans Act	93.051	333-10-AZRP-004	01/01/10 - 09/30/10	21,645
Title III-B Older Americans Act	93.051	333-10-AZRP-004	10/1/10 - 09/30/11	4,110
Title III-B Older Americans Act	93.052	311-07-003E-194	1/1/10 - 12/31/10	19,999
Title III-B Older Americans Act	93.044	311-09-003B-269	1/1/10 - 12/31/10	<u>22,274</u>
				68,028
Hennepin County:				
Richfield High School- Title IV Recovery Medicaid	93.658	62584	9/01/09 - 08/31/10	10,304
Richfield High School- Title IV Recovery Medicaid	93.779	62584	9/01/09 - 08/31/10	6,869
Richfield High School- Title IV Recovery Medicaid	93.658	62584	9/01/10- 08/31/11	3,644
Richfield High School- Title IV Recovery Medicaid	93.779	62584	9/01/10- 08/31/11	<u>3,445</u>
				24,262
Minnesota Department of Human Services:				
Title XIX of the Social Security Act of 1935 Health Insurance Referral	93.778	440563	7/1/09 - 6/30/10	28,780
Minnesota Department of Human Services:				
Refugee Act of 1980:				
Refugee Program	93.566	442253	10/01/09 - 09/30/10	34,157
Refugee Program	93.566	443940	10/01/10 - 09/30/11	11,449
Refugee Program	93.566	1042619	10/01/09 - 09/30/10	9,800
Refugee Program	93.566	1046019	11/01/10 - 06/30/11	<u>2,757</u>
				58,163
U.S. Department of Housing and Urban Development (HUD):				
Passed Through:				
National Council of La Raza	14.169	N/A	01/01/10 - 12/31/10	17,000
U.S. Department of Education:				
Passed Through:				
MN Department of Education:				
Roseville Area Schools	84.184	Q184L070294	09/01/09 - 08/31/10	142,466
Roseville Area Schools	84.184	Q184L070294-08	09/01/10 - 08/31/11	<u>61,565</u>
				204,031
U.S. Department of Corrections:				
Passed Through:				
Minnesota Center for Crime Victim Services Sexual Assault Education and Prevention Subtotal				
	16.575	211-cvsv-00198	10/1/10 - 9/30/11	<u>10,801</u>
				10,801
Department of the Treasury				
Passed Through:				
Volunteer Income Tax Assistance	21.003	10VITA0294	1/1/10-6/30/10	15,000
Department of Transportation				
Passed Through:				
City of Minneapolis:				
Education and Outreach	20.205	10VITA0294	8/27/2010 - Project Completion	<u>7,365</u>
TOTAL FEDERAL AWARDS				<u><u>\$ 1,702,904</u></u>

**COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010**

NOTE A SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

**COMUNIDADES LATINAS UNIDAS EN SERVICIO, INC,
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010**

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Comunidades Latinas Unidas En Servicio, Inc. (the Organization).
2. No material weaknesses were noted during the audit of the financial statements of the Comunidades Latinas Unidas En Servicio, Inc..
3. No instances of material noncompliance were disclosed during the audit of the financial statements of the Comunidades Latinas Unidas En Servicio, Inc.
4. No material weaknesses were identified during the audit of the major federal award programs for the Comunidades Latinas Unidas En Servicio, Inc.
5. The auditors' report on compliance for the major federal award programs for the Comunidades Latinas Unidas En Servicio, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Comunidades Latinas Unidas En Servicio, Inc..
7. The programs tested as major programs include:

<u>Program</u>	<u>CFDA Number</u>
Hennepin County Minnesota Family Investment Program	93.558
Ramsey County Minnesota Family Investment Program	93.558

8. The threshold for distinguishing type A and B programs was \$300,000.
9. The Comunidades Latinas Unidas En Servicio, Inc. was determined not to be a low risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

CURRENT YEAR FINDINGS

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None