

ST. DAVID'S CENTER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. David's Center
Minnetonka, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St. David's Center, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of St. David's Center as of December 31, 2025 and 2024, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. David's Center 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. David's Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. David's Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. David's Center'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 financial statements as a whole. The accompanying schedule of expense by program, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 22, 2026

**ST. DAVID'S CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,659,791	\$ 2,740,198
Accounts Receivable, Net of Allowance for Credit Losses of \$208,000 in 2025 and 2024	3,480,587	3,700,790
Pledges Receivable	869,500	914,305
Prepaid Expenses	517,774	270,328
Total Current Assets	8,527,652	7,625,621
NONCURRENT ASSETS		
Pledges Receivable, Net	281,633	369,183
Investments	1,866,628	1,683,985
Cash Surrender Value of Life Insurance Policy	1,035,538	1,028,853
Property and Equipment, Net	16,284,986	15,824,482
Right-of-Use Asset, Net	568,155	245,161
Total Noncurrent Assets	20,036,940	19,151,664
Total Assets	\$ 28,564,592	\$ 26,777,285
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 390,896	\$ 661,049
Accrued Salaries and Vacation	1,651,853	1,521,323
Lease Liability - Short-Term	84,637	75,766
Other Liabilities	68,548	73,070
Total Current Liabilities	2,195,934	2,331,208
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Portion	2,500,000	2,500,000
Deferred Compensation	443,378	390,984
Lease Liability	484,899	171,585
Total Noncurrent Liabilities	3,428,277	3,062,569
Total Liabilities	5,624,211	5,393,777
NET ASSETS		
Without Donor Restrictions	19,145,808	17,516,449
With Donor Restrictions	3,794,573	3,867,059
Total Net Assets	22,940,381	21,383,508
Total Liabilities and Net Assets	\$ 28,564,592	\$ 26,777,285

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Revenue:			
Government Grants and Contracts	\$ 19,191,447	\$ -	\$ 19,191,447
Tuition and Private Fees	2,834,920	-	2,834,920
Client Fees and Reimbursed Services	7,668,565	-	7,668,565
Investment Income	101,516	203,953	305,469
Rental Income	240,000	-	240,000
Other Income	3,817	-	3,817
Loss on Disposal of Property and Equipment	(28,889)	-	(28,889)
Total Revenue	30,011,376	203,953	30,215,329
Public Support:			
Contributions	5,085,805	592,750	5,678,555
Governmental Grants			
Special Events, Less Expenses of \$179,945	633,248	-	633,248
Total Public Support	5,719,053	592,750	6,311,803
Net Assets Released from Restrictions	869,189	(869,189)	-
Total Revenue and Public Support	36,599,618	(72,486)	36,527,132
EXPENSES			
Program Services	28,282,445	-	28,282,445
Support Services:			
Management and General	4,820,498	-	4,820,498
Fundraising	1,867,316	-	1,867,316
Total Support Services	6,687,814	-	6,687,814
Total Expenses	34,970,259	-	34,970,259
CHANGE IN NET ASSETS	1,629,359	(72,486)	1,556,873
Net Assets - Beginning of Year	17,516,449	3,867,059	21,383,508
NET ASSETS - END OF YEAR	\$ 19,145,808	\$ 3,794,573	\$ 22,940,381

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Revenue:			
Government Grants and Contracts	\$ 16,549,820	\$ -	\$ 16,549,820
Tuition and Private Fees	2,691,142	-	2,691,142
Client Fees and Reimbursed Services	7,500,434	-	7,500,434
Investment Income	176,304	54,404	230,708
Rental Income	112,903	-	112,903
Other Income	28,713	-	28,713
Loss on Disposal of Property and Equipment	(17,005)	-	(17,005)
Total Revenue	27,042,311	54,404	27,096,715
Public Support:			
Contributions	3,049,165	1,492,305	4,541,470
Governmental Grants			
Special Events, Less Expenses of \$145,817	656,672	-	656,672
Total Public Support	3,705,837	1,492,305	5,198,142
Net Assets Released from Restrictions	695,211	(695,211)	-
Total Revenue and Public Support	31,443,359	851,498	32,294,857
EXPENSES			
Program Services	24,883,402	-	24,883,402
Support Services:			
Management and General	3,971,823	-	3,971,823
Fundraising	1,551,803	-	1,551,803
Total Support Services	5,523,626	-	5,523,626
Total Expenses	30,407,028	-	30,407,028
CHANGE IN NET ASSETS	1,036,331	851,498	1,887,829
Net Assets - Beginning of Year	16,480,118	3,015,561	19,495,679
NET ASSETS - END OF YEAR	\$ 17,516,449	\$ 3,867,059	\$ 21,383,508

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025**

	Support Services			Total Support Services	Total All Services
	Program Services	Management and General	Fundraising		
Salaries	\$ 21,271,969	\$ 2,387,915	\$ 1,013,788	\$ 3,401,703	\$ 24,673,672
Payroll Taxes	1,760,381	257,507	73,014	330,521	2,090,902
Employee Benefits	2,151,164	469,276	126,665	595,941	2,747,105
Total Personnel Costs	25,183,514	3,114,698	1,213,467	4,328,165	29,511,679
Professional, Training, Activity, and Other Fees	803,120	782,871	452,315	1,235,186	2,038,306
Occupancy	1,051,671	54,308	47,351	101,659	1,153,330
Communications	323,332	2,987	-	2,987	326,319
Depreciation	626,054	680,613	-	680,613	1,306,667
Supplies	133,338	11,135	113	11,248	144,586
Credit Losses	-	173,636	-	173,636	173,636
MinnesotaCare Tax	143,669	-	-	-	143,669
Foster Provider Reimbursements	17,747	-	-	-	17,747
Marketing and Advertising	-	250	154,070	154,320	154,320
Total Expense by Function	\$ 28,282,445	\$ 4,820,498	\$ 1,867,316	\$ 6,687,814	\$ 34,970,259

See accompanying Notes to Financial Statements.

ST. DAVID'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Support Services			Total Support Services	Total All Services
	Program Services	Management and General	Fundraising		
Salaries	\$ 18,851,968	\$ 1,897,186	\$ 890,810	\$ 2,787,996	\$ 21,639,964
Payroll Taxes	1,563,161	97,518	63,208	258,544	1,821,705
Employee Benefits	1,732,072	204,965	110,395	315,360	2,047,432
Total Personnel Costs	22,147,201	2,199,669	1,064,413	3,361,900	25,509,101
Professional, Training, Activity, and Other Fees	680,230	663,451	287,207	950,658	1,630,888
Occupancy	500,754	539,441	-	539,441	1,040,195
Communications	290,028	104,094	1,187	7,463	297,491
Depreciation	980,807	103,443	47,924	151,367	1,132,174
Supplies	194,779	36,332	2,987	39,319	234,098
Credit Losses	-	325,393	-	325,393	325,393
MinnesotaCare Tax	65,615	-	-	-	65,615
Foster Provider Reimbursements	23,988	-	-	-	23,988
Marketing and Advertising	-	-	148,085	148,085	148,085
Total Expense by Function	\$ 24,883,402	\$ 3,971,823	\$ 1,551,803	\$ 5,523,626	\$ 30,407,028

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,556,873	\$ 1,887,829
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,306,667	1,132,174
Credit Loss Expense	173,636	325,393
Amortization Finance Lease	18,204	17,823
Unrealized and Realized Gain on Investments	(249,808)	(109,795)
Loss on Disposal of Property and Equipment	28,889	17,005
Changes in Operating Assets and Liabilities:		
Accounts Receivable	46,567	(1,025,530)
Pledges Receivable	132,355	(987,197)
Prepaid Expenses	(247,446)	307,212
Operating ROU Asset	75,135	(500)
Accounts Payable	(308,309)	173,711
Accrued Salaries and Vacation	130,530	384,886
Other Liabilities	(4,522)	20,307
Operating Lease Liability	(75,766)	1,710
Deferred Compensation	52,394	98,143
Net Cash Provided by Operating Activities	2,635,399	2,243,171
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,910,903)	(5,404,154)
Purchase of Investments	(347,567)	(211,084)
Proceeds from Sale of Investments	408,047	376,485
Proceeds from Sale of Property and Equipment	152,999	7,895
Net Cash Used by Investing Activities	(1,697,424)	(5,230,858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	735,875	-
Payments on Line of Credit	(735,875)	-
Payments on Financing Lease	(18,382)	(16,843)
Proceeds from Issuance of Long-Term Debt	-	2,500,000
Net Cash Provided (Used) by Financing Activities	(18,382)	2,483,157
NET CHANGE IN CASH AND CASH EQUIVALENTS	919,593	(504,530)
Cash and Cash Equivalents - Beginning of Year	2,740,198	3,244,728
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,659,791	\$ 2,740,198
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid During the Year	\$ 100,775	\$ -
Property and Equipment Purchases Included in Accounts Payable	\$ 38,156	\$ 47,059

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Purpose

St. David's Center (St. David's or the Organization) provides educational, therapeutic, and social services for children and their families. St. David's operates the following services:

I. Inclusive Early Childhood Education

A developmentally appropriate early childhood education and childcare program serving children ages 16 months to five years paired with in-center respite care services provided to families with children under age six that have special needs. The program provides children the unique opportunity to learn side-by-side with children of varying abilities.

II. Early Intervention and Treatment

- ◆ **Pediatric Therapy:** Provides speech, occupational, and feeding therapy services to assist children with developmental delays and disabilities offered at both the Minneapolis and Minnetonka clinic locations. The therapist designs interventions using a team approach to meet each child's individual developmental needs. Through partnerships with families and other providers, specific treatment approaches are incorporated into functional environments.
- ◆ **Autism Day Treatment (ADT):** A classroom environment specifically designed for young children ages 18 months to five years who have a medical diagnosis of Autism Spectrum Disorder (ASD). A multidisciplinary team develops individualized treatment plans and interventions for each child. The team is committed to working across disciplines and with families and school district services so that skills are generalized across settings. ADT is offered in Minnetonka and Minneapolis, where services are culturally responsive to the East African community.
- ◆ **School Age Autism Day Treatment and Community-Based Autism Treatment:** Offers individual, family, and group therapy, primarily at clinic locations for individuals on the Autism Spectrum. Through an individualized treatment plan, the program provides care management for children on the autism spectrum and their families. A service plan can include care management, therapeutic behavior support, therapeutic interventions, and consultations with parents.
- ◆ **Family Place Day Treatment:** Offered at the Minneapolis and Minnetonka sites alike, Family Place provides an early childhood program for families facing multiple challenges in successfully parenting their children. The goal is to offer support, share child development information, and encourage alternative approaches to parenting, while also promoting the social and emotional development of young children.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organizational Purpose (Continued)

II. Early Intervention and Treatment (Continued)

- ◆ Outpatient Children's Mental Health Services: Outpatient mental health services are provided in both the Minnetonka and Minneapolis clinic locations to children birth through adolescence and their caregivers. Services are aimed at improving functioning in relationships, at home, in school, and in the community, and appointments are typically weekly or biweekly for one hour, reflecting less severity in symptoms than in-home, classroom-based, or in some other way more intensive services. Staff offers expertise in serving children and families with special needs, including but not limited to trauma developmental delays/disabilities, physical challenges, medical complications, attention deficit disorders, and emotional/behavioral disturbances.
- ◆ Community Based Mental Health: Our community-based mental health focuses on improving skills in preschool and elementary-aged children who are struggling socially, emotionally, and behaviorally. Through classroom intervention, home visits, and consultation, our team partners with parents, caregivers, and educators in schools and childcare sites to provide: classroom observations, consultation and collaboration with educators, individual play therapy and therapeutic playgroups, child development and parenting information, and connections to community resources. St. David's Center therapists are currently located in fourteen schools and early childhood centers in the Hopkins and Osseo school districts.
- ◆ Children's Mental Health Case Management: Provides in-home support and advocacy for families who have a child with a mental health diagnosis. The case manager and family develop a care plan that includes various types of therapy, special education services, mental health and behavior guidance, and other resources.
- ◆ Zero to Five Home Visiting: Home visitors provide relationship-based support services for vulnerable young parents of children ages 0 to 5. We partner with parents to enrich family relationships and improve school readiness through advocacy and case management, referrals to resources, and providing developmental and parenting information. Some services are designed for parents expecting their first child or with a first child under the age of three months who are impacted by multiple "risk-factors" including: low-income, histories of domestic violence, sexual or physical abuse, mental health concerns, chemical abuse, developmental disabilities, or other stressors. This service is a program of the Metro Alliance for Family Success and is free of charge to families for up to four years.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organizational Purpose (Continued)

III. Community-Based Disability Services

- ◆ Therapeutic Recreation: Offers community-based programming focused on recreation, community activities, and socialization for youth ages 6 to 18 with developmental disabilities.
- ◆ In-Home Disability Support / Waivered Services: Programming is offered to children and adults with developmental disabilities who have a DD, CADI, CAC, or TBI waiver. It focuses on development of life skills in the home and community of every client. Services may include in-home support, hourly respite, overnight respite, person-centered goals, and flexible case management.

IV. Coalition-Based Community Initiatives or Advancement

- ◆ Minnesota Targeted Home Visiting Coalition: In 2020, St. David's Center became the fiscal agent for the Minnesota Targeted Home Visiting Coalition. The Coalition works with member agencies, of which St. David's Center is one, to advocate for adequate funding and other resources for organizations providing home visiting services across the state.
- ◆ Early Childhood Nutrition Program: St. David's Center coordinates healthy, affordable meal packs to low-income families with young children across many communities in Hennepin County, in partnership with three nonprofit agencies providing home visiting services. This program's aim is to improve parental decision-making with respect to healthy meal choices for children, to improve developmental outcomes and set children on an optimal course in their health and education.
- ◆ Healthy Families Clinical Supervision: St. David's Center provides reflective, clinical supervision to other nonprofit organizations providing Healthy Families services described above. A senior staff meets with teams of home visitors working in agencies in Minneapolis and surrounding communities.
- ◆ Advancing The Field: This program supports professional development focusing on early childhood development.

Financial Statement Presentation

In order to observe the limitation and restrictions placed on resources available to St. David's, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. These net assets include both board-designated and undesignated amounts.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

With Donor Restrictions – Resources subject to donor-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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, St. David's considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed the FDIC insurable limits of \$250,000. As of December 31, 2025 and 2024, the Organization had approximately \$3,340,000 and \$2,360,000, respectively, in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts.

Accounts Receivable and Credit Policies

Accounts receivable are uncollateralized customer and third-party payor obligations outstanding for client services provided. Payments of accounts receivable are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of accounts receivable approximates what is expected to be collected based on a contract or agreed upon rates with the third-party payor for the services provided. Management determines the allowance for uncollectible accounts receivable based on historical experience, current economic conditions, forward-looking information, and management's evaluation of individual outstanding receivables. The balance of the allowance for uncollectible accounts receivable was \$208,000 as of December 31, 2025 and 2024. Additionally, the contractual allowance was \$1,556,104 and \$1,214,184 as of December 31, 2025 and 2024, respectively. The allowance for credit losses and the contractual allowance total \$1,764,104 and \$1,422,184 as of December 31, 2025 and 2024, respectively.

Changes in the allowance for uncollectible accounts receivable for the years ended December 31, were as follows:

	2025	2024
Balance, Beginning of Year	\$ 208,000	\$ 120,000
Provisions	173,636	325,393
Write-Offs, Net of Recoveries	(173,636)	(237,393)
Balance, End of Year	<u>\$ 208,000</u>	<u>\$ 208,000</u>

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges 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 amount 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. Conditional pledges are not included as support until such time as the conditions are substantially met. An allowance for bad debt is provided on the reserve method based on historical experience and management's evaluation of outstanding receivable balances at the end of the year. An allowance of \$-0- and \$60,000 was recorded as of December 31, 2025 and 2024, respectively.

Investments

St. David's carries its investments at fair value. At times, the portfolio includes cash and cash equivalents. Privately held stock is recorded at fair value at the date of contribution. Subsequent to initial recognition, privately held equity securities that do not have a readily determinable fair value and do not qualify for the equity method or measurement at net asset value are accounted for using the measurement alternative under ASC 321. Under this approach, such investments are carried at cost, adjusted for impairment and for observable changes in price in orderly transactions for identical or similar securities of the same issuer, if any.

Life Insurance Policy

During the year ended May 31, 2011, St. David's received a contribution from a donor of \$1,000,000 to fund a life insurance policy and fund an endowment. The policy is recorded at cash surrender value with the change in value being recorded as income.

Property and Equipment

All major expenditures for land, buildings, building improvements, and equipment are capitalized at cost. St. David's capitalizes property and equipment purchases when the cost per item is in excess of \$1,000 and like items may be capitalized if the total purchase is at least \$2,500 and the average price per item is at least \$250. 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 property and equipment are recorded as unrestricted. Depreciation is provided through the use of the straight-line method as follows:

Buildings and Improvements (Using the Shorter of Asset Life or Lease Term for Leasehold Improvements)	5 to 39 Years
Furniture and Equipment	5 to 7 Years
Vehicles	3 to 5 Years

Deferred Compensation

St. David's provides a deferred compensation plan to executives approved by the board of directors. The liability on the statements of financial position reflects what is owed to participants in accordance with the terms of the plan.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as contributions with donor restrictions until the donor-imposed restrictions expire or are fulfilled. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period donor-imposed restrictions expire or are fulfilled and are reported in the statements of activities under the support and revenue category "Net Assets Released from Restrictions" except when the receipt and expiration occur in the same period, in which case the contribution is shown as without donor restrictions.

Government Grants and Contracts

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, St. David's will record such disallowance at the time the final assessment is made.

A portion of St. David's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. The Organization had cost reimbursable grants of approximately \$2,807,000 that have not been recognized at December 31, 2025 because qualifying expenditures have not yet been incurred.

Program Service Revenue

St. David's has agreements with third-party payors that provide for payments to St. David's at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net program service revenue is reported at the estimated net realizable amounts from program participants, third-party payors, and others for services rendered.

St. David's recognizes tuition and private fee income as the services are provided. The performance obligation of delivering services is simultaneously received and consumed by the clients/customers; therefore, the revenue is recognized over time as these performance obligations are satisfied.

Rental Income

St. David's leases commercial real estate under an operating lease, which is recorded as rental income. Rental income is recognized using a method that represents a straight-line basis over the term of the lease.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Events

Special event revenue consists of registrations, sponsorships, and other contributions. The exchange element of the special event revenue was \$179,945 and \$145,817 for the years ended December 31, 2025 and 2024, respectively. The portion this is considered to be exchange revenue is recognized as revenue when the performance obligations are met, which is the occurrence of the event.

Advertising and Marketing

Advertising and marketing costs are expensed when incurred.

Charity Care

St. David's provides charity care to patients meeting certain established criteria which is provided without charge or at amounts less than established rates. St. David's does not pursue collection of amounts determined to qualify as charity care.

Functional Allocation of Expense

Expenses incurred in providing programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Salaries, payroll taxes, and other expenses are allocated on a direct basis based on the program or supporting function. Some expenses require allocation. Occupancy expenses are allocated to program or supporting function based on square footage used, along with related costs such as utilities, property maintenance, property insurance, depreciation, and interest. Other expenses are allocated based on the program or supporting function's expense as a percentage of all program expenses.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions can affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Income Tax

St. David's has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

St. David's follows the provisions of Accounting for Uncertainty in Income Taxes. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold 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. St. David's is not aware of any activities that would jeopardize its tax-exempt status.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations

St. David's provides services within the Twin Cities area. The amounts due for services provided are from individuals, or their third-party payors, substantially all of which are local residents. In addition, accounts receivable are from local residents, governments, or institutions. During 2025, there were two donors who contributed 27% of total contributions. During 2024, there were three donors who contributed 72% of total contributions. As of December 31, 2025 and 2024, approximately 43% and 73% of pledges receivable were from two donors and three donors, respectively.

Fair Value Measurements

St. David's accounts for certain financial assets under various accounting literature. St. David's also accounts for certain assets at fair value under applicable industry guidance.

St. David's has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that St. David's has the ability to access.

Level 2 – Financial assets whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in nonactive markets;
- pricing models whose inputs are observable for substantially the full term of the asset; and
- pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset.

Level 3 – Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

St. David's determines if an arrangement is a lease at inception. Leases are reported on the statements of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent St. David's right to use an underlying asset for a lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that St. David's will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. St. David's has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, St. David's has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability.

St. David's 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.

Rental Income

The Organization leases commercial real estate under operating leases, generally due on a monthly basis with terms ranging upwards of five years, which are recorded as rental income. Rental income is recognized using a method that represents a straight-line basis over the term of the lease. In situations where a lease incentive, such as tenant allowance, is provided, the incentive is recognized as a reduction of lease revenue on a straight-line basis over the reasonably assured lease term.

Reclassifications

Certain amounts presented in the prior year financial statements have been reclassified in the accompanying financial statements to conform to the current year presentation. These reclassifications had no effect on the previously reported change in net assets, total net assets, or net assets by class.

Subsequent Events

St. David's has evaluated the effect that subsequent events would have on the financial statements through April 22, 2026, which is the date the financial statements were available to be issued.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 LIQUIDITY AND AVAILABILITY

St. David's, along with oversight from the finance committee and the board of directors, regularly monitors its cash on hand, to review cash flow projections to meet operational needs and organizational priorities. St. David's manages its liquidity by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund operating needs, and maintaining appropriate cash flow to provide reasonable assurance that long-term debt obligations will be met. St. David's strives to maximize available funds by transferring cash not needed for immediate working capital into the investment portfolio.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 3,659,791	\$ 2,740,198
Accounts Receivable, Net	3,480,587	3,700,790
Pledges Receivable	869,500	914,305
Investments	857,858	740,717
Less: Assets with Donor Restrictions	<u>(2,759,035)</u>	<u>(2,838,206)</u>
Liquid Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 6,108,701</u>	<u>\$ 5,257,804</u>

St. David's also has committed lines of credit in the amounts of \$5,000,000 and \$2,000,000 which it could draw upon in the event of an unanticipated liquidity need.

NOTE 3 PLEDGES RECEIVABLE

Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances, in the following time frame as of December 31:

	<u>2025</u>	<u>2024</u>
In One Year or Less	\$ 869,500	\$ 914,305
Between One and Five Years	310,000	456,000
Subtotal	<u>1,179,500</u>	<u>1,370,305</u>
Less: Present Value Discount of 5% and Allowance	<u>28,367</u>	<u>86,817</u>
Pledges Receivable, Net	<u>\$ 1,151,133</u>	<u>\$ 1,283,488</u>

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 4 INVESTMENTS

St. David's held the following investments as of December 31:

	2025	
	Cost	Fair Value
Cash and Cash Equivalents	\$ 47,485	\$ 64,879
Privately Held Stock	567,000	567,000
Domestic Equities	163,380	246,054
Fixed Income	150,304	152,044
Mutual Funds - Bonds	139,528	144,744
Mutual Funds - Stock	528,622	691,907
Total Investments	\$ 1,596,319	\$ 1,866,628

	2024	
	Cost	Fair Value
Cash and Cash Equivalents	\$ 41,569	\$ 41,569
Privately Held Stock	567,000	567,000
Domestic Equities	500,159	590,594
Fixed Income	185,659	185,608
Mutual Funds - Bonds	114,590	112,807
Mutual Funds - Stock	133,744	186,407
Total Investments	\$ 1,542,721	\$ 1,683,985

It is the intent of St. David's to hold the above investments on a long-term basis.

NOTE 5 FAIR VALUE MEASUREMENTS

The following tables present St. David's fair value for those investments measured at fair value on a recurring basis as of December 31:

	2025			
	Level 1	Level 2	Level 3	Total
Domestic Equities	\$ 246,054	\$ -	\$ -	\$ 246,054
Fixed Income	152,044	-	-	152,044
Mutual Funds - Bond	144,744	-	-	144,744
Mutual Funds - Stock	691,907	-	-	691,907
Total Investments	\$ 1,234,749	\$ -	\$ -	\$ 1,234,749

	2024			
	Level 1	Level 2	Level 3	Total
Domestic Equities	\$ 590,594	\$ -	\$ -	\$ 590,594
Fixed Income	185,608	-	-	185,608
Mutual Funds - Bond	112,807	-	-	112,807
Mutual Funds - Stock	186,407	-	-	186,407
Total Investments	\$ 1,075,416	\$ -	\$ -	\$ 1,075,416

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 6 PROPERTY AND EQUIPMENT

St. David's owned the following assets as of December 31:

	2025	2024
Land	\$ 132,136	\$ 132,136
Building and Improvements	24,984,580	23,401,492
Furniture and Equipment	3,110,804	3,561,821
Vehicles	22,191	22,191
Subtotal	28,249,711	27,117,640
Less: Accumulated Depreciation	(11,964,725)	(11,293,158)
Total	\$ 16,284,986	\$ 15,824,482

Depreciation expense of \$1,306,667 and \$1,132,174 was recorded for the years ended December 31, 2025 and 2024, respectively.

Renovation

In May 2014, St. David's was awarded \$3,750,000 in grant funding from the state of Minnesota bonding bill, through Hennepin County. In June 2015, St. David's started construction on renovation of its campus. The renovation cost \$6,975,918 and was financed through a combination of private contributions and the \$3,750,000 grant from the state of Minnesota. The renovation was completed in July 2016.

On March 31, 2015, St. David's entered into a 50-year ground lease with Hennepin County. At the same time, Hennepin County entered into a 20-year lease agreement to lease it back to St. David's. At the end of the 20-year term of the lease-back, St. David's has the option to renew the lease-back for two successive periods, the first of which shall be for 20 years, and the second shall be an additional 10 years. Management considers the possibility that the lease-back would not be renewed with Hennepin County as remote and, therefore, has retained the overall campus on its financial statements as a capital asset and will depreciate the campus over its useful life.

NOTE 7 NOTES PAYABLE

St. David's has a \$2,000,000 line of credit with Tradition Bank which expires on November 14, 2026. The obligation is secured by all assets of St. David's. The interest rate is 8% at December 31, 2025. There was no outstanding amount on the line of credit as of December 31, 2025 and 2024.

St. David's has a \$5,000,000 construction line of credit with Tradition Bank which expires on December 14, 2028. The obligation is secured by all assets of St. David's. The interest rate is 8% at December 31, 2025. There was no outstanding amount on the line of credit as of December 31, 2025 and 2024.

On June 26, 2024, St. David's entered into a \$2,500,000 promissory note with Otto Bremer Trust. The note has an interest rate of 4%. Interest is payable on an annual basis and the outstanding principal amount is due on July 11, 2027. There was \$2,500,000 outstanding as of December 31, 2025 and 2024.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 8 ENDOWMENT FUNDS

St. David's endowments consist of funds established by donors for permanently restricted purposes. St. David's net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, St. David's classifies net assets with donor restrictions as:

- (a) The original value of gifts donated to the donor-restricted endowment;
- (b) The original value of subsequent gifts to the donor-restricted endowment;
- (c) Accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, St. David's considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1. The duration and preservation of the fund
- 2. The purpose of the organization and the donor-restricted endowment fund
- 3. General economic conditions
- 4. The possible effect of inflation and deflation
- 5. The expected total return from income and the appreciation of investments
- 6. Other resources of the organization
- 7. The investment policies of the organization

St. David's will review the above noted factors annually as a part of the yearly budget process and will make an annual determination of whether or not to appropriate or accumulate funds. At the time of review, should the fair value of assets associated with individual donor-restricted endowment funds be below the level that the donor requires St. David's to retain as a fund of perpetual duration, no funds will be appropriated.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

The following were the changes in the endowment net assets for the years ended December 31:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets - December 31, 2024	\$ -	\$ 1,769,570	\$ 1,769,570
Contributions	-	1,000	1,000
Net Investment Income	-	203,953	203,953
Appropriations	-	(79,628)	(79,628)
Net Assets - December 31, 2025	<u>\$ -</u>	<u>\$ 1,894,895</u>	<u>\$ 1,894,895</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets - December 31, 2023	\$ -	\$ 1,890,209	\$ 1,769,699
Net Investment Income	-	54,404	145,969
Appropriations	-	(175,043)	(25,459)
Net Assets - December 31, 2024	<u>\$ -</u>	<u>\$ 1,769,570</u>	<u>\$ 1,769,570</u>

All endowment net assets were donor-restricted endowment funds.

Fund with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires St. David's to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, there were no deficiencies of this nature that are reported in net assets with donor restrictions as of December 31, 2025 and 2024.

Investment Objectives and Strategies

St. David's has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the finance committee of the board of directors, the endowment assets are invested in a manner that is intended to manage for consistent total returns with a long-term growth objective, manage with a moderate level of risk, and maintain sufficient diversification of assets. To achieve these objectives, St. David's follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds. An investment advisory committee regularly reviews investment diversification and performance.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of amounts for the following:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Harman Center for Child & Family Wellbeing	\$ 395,682	\$ 554,060
Family Home Visiting	101,812	209,742
Other	1,250	2,500
Early Childhood Education and Nutrition	156,434	61,382
Home Visiting	10,000	-
Time Restricted	1,234,500	1,269,805
Unspent Endowment Earnings	<u>262,178</u>	<u>137,853</u>
Total	2,161,856	2,235,342
Endowments:		
Frank Bennett Endowment	1,000,000	1,000,000
Program Endowment	166,153	166,153
Ayse Tanberk Scholarship Endowment	112,072	112,072
Martha Bennett Curriculum Endowment	80,821	80,821
Parenting Symposium Endowment	47,880	46,880
Arts Endowment	45,000	45,000
Playground Upkeep Endowment	40,000	40,000
Family Services Endowment	39,617	39,617
Cynthia Burns Memorial Endowment	25,000	25,000
Lindhahl Curriculum Endowment	25,000	25,000
Brooks Curriculum Endowment	25,000	25,000
Music Therapy Endowment	10,500	10,500
Mary Griffin Scholarship Endowment	<u>15,674</u>	<u>15,674</u>
Total	<u>1,632,717</u>	<u>1,631,717</u>
Total Net Assets with Donor Restrictions	<u>\$ 3,794,573</u>	<u>\$ 3,867,059</u>

NOTE 10 RIGHT-OF-USE ASSETS AND LEASE LIABILITY

St. David's leases office space under an agreement that expires February 28, 2033, which requires monthly payments of \$7,150. St. David's leases a copier under an agreement that expires April 2028, which requires monthly payments of \$1,657.

ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONTINUED)

The following table provides the Organization's right-of-use assets and lease liability for the years ended December:

	<u>2025</u>	<u>2024</u>
Right-of-Use Assets:		
Operating Leases, Net	\$ 568,155	\$ 245,161
Lease Liabilities:		
Current:		
Financing Leases	19,204	17,595
Operating Leases	65,433	58,170
Noncurrent:		
Financing Leases	4,933	42,519
Operating Leases	<u>479,966</u>	<u>129,067</u>
Total	<u>\$ 569,536</u>	<u>\$ 247,351</u>

The following table provides quantitative information concerning St. David's right-of-use assets and lease liability for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Lease Costs:		
Operating Lease Costs	\$ 60,504	\$ 75,804
Finance Lease Costs:		
Amortization of Right-of-Use Assets	18,204	17,823
Interest on Lease Liabilities	<u>1,496</u>	<u>3,035</u>
Total Lease Costs	<u>\$ 80,204</u>	<u>\$ 96,662</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 60,504	\$ 78,504
Operating Cash Flows from Finance Leases	1,496	3,035
Financing Cash Flows from Finance Leases	18,382	16,843
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	416,333	-
Weighted Average Remaining Lease Term:		
Financing Leases	2.3 Years	3.3 Years
Operating Leases	7.1 Years	3.1 Years
Weighted Average Discount Rate:		
Financing Leases	4.38%	4.38%
Operating Leases	3.95%	1.50%

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 10 RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2026	\$ 85,800	\$ 19,878
2027	85,800	3,313
2028	87,930	1,657
2029	88,356	-
2030	88,356	-
Thereafter	191,438	-
Total Lease Payments	<u>627,680</u>	<u>24,848</u>
Less: Interest	<u>(82,281)</u>	<u>(711)</u>
Present Value of Lease Liabilities	<u>\$ 545,399</u>	<u>\$ 24,137</u>

NOTE 11 PENSION PLAN

St. David's maintains a 403(b) Retirement Savings Plan that covers those employees who meet eligibility requirements. Employer contributions of \$446,624 and \$201,218 were made in the years ended December 31, 2025 and 2024, respectively.

NOTE 12 MAJOR SOURCES OF SUPPORT AND REVENUE

Major sources of support and revenue were as follows:

	<u>2025</u>	<u>2024</u>
State of Minnesota	\$ 16,251,731	\$ 13,883,463
Hennepin County	2,117,704	2,040,566

NOTE 13 RENTAL INCOME

The Organization leases space at its Nicollet Mall location to a nonprofit organization under a noncancelable lease with a term of five years beginning July 2024 through June 2029. Rental revenue payments are \$20,000 per month, with annual 3% increases beginning in year four.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 13 RENTAL INCOME (CONTINUED)

Future minimum rentals, not including operating costs, under these lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 240,000
2027	243,300
2028	250,599
2029	137,917
Total Minimum Future Lease Payments	<u>\$ 871,816</u>

NOTE 14 RELATED PARTY TRANSACTIONS

The Organization received contributions from key staff, board members, and organizations over which board members may have significant influence. During the years ended December 31, 2025 and 2024, contribution revenue of \$446,795 and \$764,465 was received from these sources, respectively. At December 31, 2025 and 2024, pledges receivable from these sources was \$111,000 and \$548,850, respectively.

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2024)
(SEE INDEPENDENT AUDITORS' REPORT)

	2025								
	Program Services								
	Community Based Mental Health	Community Based Disability Services	CFSS Consultation Services	Children's Mental Health Case Management	Hennepin County PAT	Minneapolis PAT	Scott County PASS	Sensitive Parenting Support	Home Visiting Coalition
Salaries	\$ 1,574,023	\$ 3,478,377	\$ 242,047	\$ 767,655	\$ 490,016	\$ 101,139	\$ 140,213	\$ 98,670	\$ 2,075
Payroll Taxes	133,055	295,032	16,054	63,164	41,190	8,364	11,991	8,033	113
Employee Benefits	181,044	144,515	35,159	91,891	61,560	15,151	18,616	7,378	187
Total Personnel Costs	<u>1,888,122</u>	<u>3,917,924</u>	<u>293,260</u>	<u>922,710</u>	<u>592,766</u>	<u>124,654</u>	<u>170,820</u>	<u>114,081</u>	<u>2,375</u>
Professional, Training, Activity, and Other Fees	12,660	109,645	-	24,026	21,095	6,807	2,289	7,884	94,044
Occupancy	70,331	160,699	10,883	34,425	22,153	4,616	6,392	4,229	-
Communications	24,472	50,572	3,637	11,900	7,948	1,681	2,190	1,631	1,231
Depreciation	1,816	1,377	-	3,005	-	-	-	-	-
Supplies	3,990	7,640	-	100	199	921	595	4,258	-
Credit Losses	-	-	-	-	-	-	-	-	-
MinnesotaCare Tax	29,614	-	-	-	-	-	-	-	-
Foster Provider Reimbursements	4,149	-	-	-	-	-	-	-	-
Marketing and Advertising	-	-	-	-	-	-	-	-	-
Total Expense by Program	<u>\$ 2,035,154</u>	<u>\$ 4,247,857</u>	<u>\$ 307,780</u>	<u>\$ 996,166</u>	<u>\$ 644,161</u>	<u>\$ 138,679</u>	<u>\$ 182,286</u>	<u>\$ 132,083</u>	<u>\$ 97,650</u>

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2024)
(SEE INDEPENDENT AUDITORS' REPORT)

	2025								
	Program Services								
	Family Place	Harman Center Family Place	Early Childhood Nutrition Program	Healthy Families Home Visiting	Healthy Families Clinical	Advancing the Field	Early Childhood Education	Early Childhood Inclusion Consultation	Pediatric Therapy
Salaries	\$ 962,360	\$ 715,092	\$ 38,568	\$ 478,281	\$ 70,400	\$ 133,110	\$ 1,661,048	\$ 45,528	\$ 3,190,030
Payroll Taxes	79,128	58,019	2,564	38,383	4,677	10,709	136,524	3,437	267,465
Employee Benefits	105,526	98,679	1,680	69,025	10,892	10,282	241,098	1,465	309,678
Total Personnel Costs	<u>1,147,014</u>	<u>871,790</u>	<u>42,812</u>	<u>585,689</u>	<u>85,969</u>	<u>154,101</u>	<u>2,038,670</u>	<u>50,430</u>	<u>3,767,173</u>
Professional, Training, Activity, and Other Fees	4,012	2,441	670	21,843	331	41,505	12,393	706	12,593
Occupancy	42,715	60,254	1,573	21,847	3,240	5,721	76,012	1,870	140,256
Communications	15,681	11,856	749	7,868	1,091	2,448	28,087	643	50,734
Depreciation	40,881	29,675	-	-	-	-	145,996	-	180,742
Supplies	6,406	8,862	16,213	3,334	-	1,391	38,270	-	17,089
Credit Losses	-	-	-	-	-	-	-	-	-
MinnesotaCare Tax	926	306	-	-	-	-	-	-	84,190
Foster Provider Reimbursements	-	-	-	-	-	-	13,598	-	-
Marketing and Advertising	-	-	-	-	-	-	-	-	-
Total Expense by Program	<u>\$ 1,257,635</u>	<u>\$ 985,184</u>	<u>\$ 62,017</u>	<u>\$ 640,581</u>	<u>\$ 90,631</u>	<u>\$ 205,166</u>	<u>\$ 2,353,026</u>	<u>\$ 53,649</u>	<u>\$ 4,252,777</u>

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2024)
(SEE INDEPENDENT AUDITORS' REPORT)

	2025								
	Program Services								
	Harman Center Pediatric Therapy	Autism Day Treatment	Autism Day Treatment - 2	Harman Center Autism Day Treatment	OPMH	Assessment and SIS	County Reflective Consult	Health Information Management	Total Program Services
Salaries	\$ 853,389	\$ 1,931,998	\$ 1,206,501	\$ 1,746,884	\$ 302,833	\$ 228,821	\$ 71,900	\$ 741,011	\$ 21,271,969
Payroll Taxes	70,058	164,154	100,925	145,720	24,041	17,496	5,790	54,295	1,760,381
Employee Benefits	59,716	189,711	129,792	148,856	34,638	45,710	719	138,196	2,151,164
Total Personnel Costs	<u>983,163</u>	<u>2,285,863</u>	<u>1,437,218</u>	<u>2,041,460</u>	<u>361,512</u>	<u>292,027</u>	<u>78,409</u>	<u>933,502</u>	<u>25,183,514</u>
Professional, Training, Activity, and Other Fees	2,412	4,947	5,721	4,168	1,154	1,054	25,260	383,460	803,120
Occupancy	61,180	85,444	53,645	106,199	18,134	15,519	2,888	41,446	1,051,671
Communications	13,224	29,614	19,114	26,614	4,978	3,958	1,286	125	323,332
Depreciation	26,983	54,967	72,059	33,118	20,660	14,775	-	-	626,054
Supplies	8,192	3,182	1,801	7,253	173	3,469	-	-	133,338
Credit Losses	-	-	-	-	-	-	-	-	-
MinnesotaCare Tax	16,675	926	1,835	307	5,682	3,208	-	-	143,669
Foster Provider Reimbursements	-	-	-	-	-	-	-	-	17,747
Marketing and Advertising	-	-	-	-	-	-	-	-	-
Total Expense by Program	<u>\$ 1,111,829</u>	<u>\$ 2,464,943</u>	<u>\$ 1,591,393</u>	<u>\$ 2,219,119</u>	<u>\$ 412,293</u>	<u>\$ 334,010</u>	<u>\$ 107,843</u>	<u>\$ 1,358,533</u>	<u>\$ 28,282,445</u>

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM (CONTINUED)
YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2024)
(SEE INDEPENDENT AUDITORS' REPORT)

	2025			2024		
	Support Services					
	Management and General	Development	Endowment Fund	Total Support Services	Total All Services	Total All Services
Salaries	\$ 2,387,915	\$ 1,013,788	\$ -	\$ 3,401,703	\$ 24,673,672	\$ 21,639,964
Payroll Taxes	257,507	73,014	-	330,521	2,090,902	1,821,705
Employee Benefits	469,276	126,665	-	595,941	2,747,105	2,047,432
Total Personnel Costs	<u>3,114,698</u>	<u>1,213,467</u>	-	4,328,165	29,511,679	25,509,101
Professional, Training, Activity, and Other Fees	776,190	452,315	6,681	1,235,186	2,038,306	1,630,888
Occupancy	54,308	47,351	-	101,659	1,153,330	1,040,195
Communications	2,987	-	-	2,987	326,319	297,491
Depreciation	680,613	-	-	680,613	1,306,667	1,132,174
Supplies	11,135	113	-	11,248	144,586	234,098
Credit Losses	173,636	-	-	173,636	173,636	325,393
MinnesotaCare Tax	-	-	-	-	143,669	65,615
Foster Provider Reimbursements	-	-	-	-	17,747	23,988
Marketing and Advertising	250	154,070	-	154,320	154,320	148,085
Total Expense by Program	<u>\$ 4,813,817</u>	<u>\$ 1,867,316</u>	<u>\$ 6,681</u>	<u>\$ 6,687,814</u>	<u>\$ 34,970,259</u>	<u>\$ 30,407,028</u>



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