360 Communities

Help in the moment. Hope for the future.

FINANCIAL STATEMENTS

360 COMMUNITIES
BURNSVILLE, MINNESOTA

FOR THE YEARS ENDED
SEPTEMBER 30, 2025 AND 2024

360 Communities
Annual Financial Report
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For the Years Ended September 30, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

360 Communities
Board of Directors
Burnsville, Minnesota

Opinion

We have audited the accompanying financial statements of 360 Communities (a nonprofit organization), which comprise the statements of financial position as of September 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of 360 Communities as of September 30, 2025 and 2024, and the changes in its 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 and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 360 Communities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 360 Communities ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Abdo

Abdo
Minneapolis, Minnesota
January 27, 2026

FINANCIAL STATEMENTS

360 Communities
Statements of Financial Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 1,470,073	$ 913,805
Government grants receivable	824,720	852,056
Accounts receivable	46,218	36,813
Pledges receivables	3,000	-
Prepaid expenses	62,651	51,143
Total Current Assets	2,406,662	1,853,817
Property and Equipment, Net		
Land	94,950	94,950
Buildings	510,738	510,738
Leasehold and building improvements	510,398	510,398
Equipment and furniture	733,811	683,315
Total Property and Equipment	1,849,897	1,799,401
Less: Accumulated Depreciation and Amortization	(1,565,831)	(1,493,474)
Total Property and Equipment, Net	284,066	305,927
Noncurrent Assets		
Pledges receivable, net of current portion, allowance, and discount	97,263	-
Unemployment Services Trust fund	69,917	72,844
Investments	1,841,045	746,292
Endowment	300,962	300,962
Operating right-of-use assets	313,883	399,275
Total Noncurrent Assets	2,623,070	1,519,373
Total Assets	$ 5,313,798	$ 3,679,117

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities

Statements of Financial Position (Continued)

September 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 84,047	$ 92,081
Accrued payroll and related expenses	467,812	412,999
Deferred revenue	125,427	115,403
Operating lease liability, current portion	89,022	81,786
Total Current Liabilities	766,308	702,269
Noncurrent Liabilities		
Operating lease liability, net of current portion	239,347	328,368
Total Liabilities	1,005,655	1,030,637
Net Assets		
Without donor restrictions	2,263,455	2,161,131
With donor restrictions	2,044,688	487,349
Total Net Assets	4,308,143	2,648,480
Total Liabilities and Net Assets	$ 5,313,798	$ 3,679,117

360 Communities
Statements of Activities
For the Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Government grants	$ 6,332,040	$ -	$ 6,332,040
Contributions	1,551,090	1,813,660	3,364,750
In-kind donations	2,706,344	-	2,706,344
Special events, less			
direct benefit to donors of $113,910	275,307	-	275,307
Total Support	10,864,781	1,813,660	12,678,441
Revenue			
Family support fees	615,567	-	615,567
Investment income	94,253	-	94,253
Miscellaneous	3,556	-	3,556
Total Revenue	713,376	-	713,376
Net Assets Released from Restriction			
Satisfaction of program restrictions	256,321	(256,321)	-
Total Support and Revenue	11,834,478	1,557,339	13,391,817
Expenses			
Program services			
Violence Prevention Intervention	2,068,788	-	2,068,788
Community Resources	5,979,072	-	5,979,072
Children and Youth Services	2,414,735	-	2,414,735
Total Program services	10,462,595	-	10,462,595
Supporting services			
Management and general	619,662	-	619,662
Fundraising	649,897	-	649,897
Total Supporting services	1,269,559	-	1,269,559
Total Expenses	11,732,154	-	11,732,154
Change in Net Assets	102,324	1,557,339	1,659,663
Beginning Net Assets	2,161,131	487,349	2,648,480
Ending Net Assets	$ 2,263,455	$ 2,044,688	$ 4,308,143

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Activities (Continued)
For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Government grants	$ 4,887,691	$ -	$ 4,887,691
Contributions	1,686,146	317,208	2,003,354
In-kind donations	2,591,854	-	2,591,854
Special events, less direct benefit to donors of $103,397	261,469	-	261,469
United Way	30,055	-	30,055
Total Support	9,457,215	317,208	9,774,423
Revenue			
Family support fees	614,067	-	614,067
Investment income	140,718	-	140,718
Total Revenue	754,785	-	754,785
Net Assets Released from Restriction	342,679	(342,679)	-
Total Support and Revenue	10,554,679	(25,471)	10,529,208
Expenses			
Program services			
Violence Prevention Intervention	1,947,089	-	1,947,089
Community Resources	5,457,754	-	5,457,754
Children and Youth Services	2,168,173	-	2,168,173
Total Program services	9,573,016	-	9,573,016
Supporting services			
Management and general	372,550	-	372,550
Fundraising	529,235	-	529,235
Total Supporting services	901,785	-	901,785
Total Expenses	10,474,801	-	10,474,801
Change in Net Assets	79,878	(25,471)	54,407
Beginning Net Assets	2,081,253	512,820	2,594,073
Ending Net Assets	$ 2,161,131	$ 487,349	$ 2,648,480

360 Communities

Statements of Functional Expenses

For the Year Ended September 30, 2025

	Program Services				Support Services			
	Violence Prevention Intervention	Community Resources	Children and Youth Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	$ 1,274,795	$ 845,702	$ 1,614,378	$ 3,734,875	$ 427,549	$ 417,565	$ 845,114	$ 4,579,989
Employee benefits	148,120	93,598	184,811	426,529	27,239	30,998	58,237	484,766
Payroll taxes	114,360	72,265	142,688	329,313	21,031	23,934	44,965	374,278
Total Salaries and Related Expenses	1,537,275	1,011,565	1,941,877	4,490,717	475,819	472,497	948,316	5,439,033
Conferences and events	53,527	17,065	54,759	125,351	20,259	13,529	33,788	159,139
Depreciation	20,159	40,252	-	60,411	12,836	-	12,836	73,247
Equipment, furnishings and repairs	34,772	39,538	14,315	88,625	10,404	4,565	14,969	103,594
Groceries and special assistance	104,054	4,436,296	229,069	4,769,419	-	-	-	4,769,419
Insurance	12,032	7,992	15,171	35,195	2,227	2,549	4,776	39,971
Miscellaneous	281	178	354	813	78	58	136	949
Occupancy	100,146	251,195	7,971	359,312	50,949	22,691	73,640	432,952
Postage	1,084	215	63	1,362	2,418	10,481	12,899	14,261
Printing	7,793	5,364	1,575	14,732	6,469	23,297	29,766	44,498
Professional services	83,268	127,197	87,757	298,222	26,504	93,385	119,889	418,111
Program materials	83,104	8,662	4,196	95,962	1,472	1,454	2,926	98,888
Supplies	4,567	6,314	3,063	13,944	1,388	360	1,748	15,692
Telephone	17,211	22,279	7,948	47,438	6,061	2,291	8,352	55,790
Transportation	9,515	4,960	46,617	61,092	2,778	2,740	5,518	66,610
Total Expenses	$ 2,068,788	$ 5,979,072	$ 2,414,735	$ 10,462,595	$ 619,662	$ 649,897	$ 1,269,559	$ 11,732,154

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities

Statements of Functional Expenses (Continued)

For the Year Ended September 30, 2024

	Program Services				Support Services			
	Violence Prevention Intervention	Community Resources	Children and Youth Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	$ 1,265,344	$ 1,008,982	$ 1,514,323	$ 3,788,649	$ 196,121	$ 366,968	$ 563,089	$ 4,351,738
Employee benefits	137,937	99,739	161,115	398,791	21,412	27,923	49,335	448,126
Payroll taxes	99,062	71,629	115,708	286,399	15,377	20,053	35,430	321,829
Total Salaries and Related Expenses	1,502,343	1,180,350	1,791,146	4,473,839	232,910	414,944	647,854	5,121,693
Conferences and events	56,122	25,316	36,486	117,924	24,952	12,899	37,851	155,775
Depreciation	34,790	45,887	-	80,677	12,730	-	12,730	93,407
Equipment, furnishings and repairs	42,753	32,277	12,689	87,719	3,481	1,981	5,462	93,181
Groceries and special assistance	41,939	3,716,385	152,064	3,910,388	-	-	-	3,910,388
Insurance	8,686	8,936	9,040	26,662	1,674	1,250	2,924	29,586
Interest	339	255	405	999	465	67	532	1,531
Occupancy	123,575	246,273	5,768	375,616	35,420	5,160	40,580	416,196
Postage	1,779	1,836	637	4,252	456	3,481	3,937	8,189
Printing	5,081	5,094	3,549	13,724	2,380	17,965	20,345	34,069
Professional services	79,177	136,999	86,186	302,362	49,749	64,710	114,459	416,821
Program materials	5,586	18,698	8,679	32,963	-	282	282	33,245
Supplies	13,601	5,758	2,790	22,149	2,038	1,551	3,589	25,738
Telephone	17,628	23,566	8,681	49,875	4,492	2,135	6,627	56,502
Transportation	13,690	10,124	50,053	73,867	1,803	2,810	4,613	78,480
Total Expenses	$ 1,947,089	$ 5,457,754	$ 2,168,173	$ 9,573,016	$ 372,550	$ 529,235	$ 901,785	$ 10,474,801

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 1,659,663	$ 54,407
Adjustment to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	73,247	93,407
Amortization of operating lease right-of-use assets	100,678	79,866
Unrealized gain on investments	(35,985)	(89,200)
Dividends/Interest re-invested	(58,258)	-
Changes in assets:		
Government grants receivable	27,336	99,476
Accounts receivable	(9,405)	(36,813)
Pledges receivable, net of allowance and discounts	(100,263)	875
Prepaid expenses	(11,508)	(565)
Unemployment Services Trust fund	2,927	(7,735)
Changes in liabilities:		
Accounts payable	(8,034)	(34,155)
Accrued payroll and related expenses	54,813	33,115
Deferred revenue	10,024	(104,469)
Operating lease liability	(97,960)	(75,434)
Net Cash Provided by Operating Activities	1,607,275	12,775
Cash Flows From Investing Activities		
Purchase of property and equipment	(50,497)	(18,440)
Proceeds from sale of investments	-	313,416
Purchase of investments	(1,000,510)	(115,245)
Net Cash Provided (Used) by Investing Activities	(1,051,007)	179,731
Change In Cash and Cash Equivalents	556,268	192,506
Beginning Cash and Cash Equivalents	913,805	721,299
Ending Cash and Cash Equivalents	$ 1,470,073	$ 913,805
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	$ -	$ 1,531
Operating right of use assets exchanged for lease liabilities	$ -	$ 65,852

See Independent Auditor's Report and Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

360 Communities (the Organization) is a nonprofit corporation organized under the laws of the State of Minnesota to provide human services. Its mission is to deliver safety and stability that improves lives.

Founded in 1972, the Organization provides hope and support to residents of Dakota, Scott, and Carver Counties of Minnesota with programs in 40 locations to prevent violence, ensure school success, and promote long-term stability. Working in partnership with volunteers, schools, faith communities, service organizations, and businesses, the Organization provides holistic support to people with these integrated program areas:

- **Violence Prevention and Intervention** - A program that includes a domestic and sexual violence shelter, sexual assault services, community advocacy, and educational services. Trained advocates provide emotional support, safety planning, court advocacy, and referrals to community resources and other 360 Communities programs. Community advocates are located in 10 law enforcement agencies, providing on-location services and resources to victims of abuse. Violence prevention advocates give presentations in schools, provide training, and host other community engagement events to educate our community about domestic and sexual violence.

- **Children and Youth Services** - 360 Communities' three school success programs ensure children arrive at school ready to learn. Child Care Aware is a program that works with licensed childcare providers and other community organizations to promote the availability and quality of childcare services in Dakota, Scott, and Carver Counties. Partners For Success® employs family support workers in 23 schools and five school districts to partner with educators and families. Family support workers implement effective home-based strategies to increase parental involvement, improve academic performance, and connect families to community resources. Housing for Success employs housing support workers who work with families who qualify under school district McKinney Vento homeless status to support navigating barriers to finding stable housing for families and their children.

- **Community Resources** - A network of five food shelves and two-family resource centers in Dakota County provide healthy food support, financial resources, housing support, advocacy, and connections to other stabilizing resources. This program establishes a foundation on which people can build a hopeful future and create sustainable success.

B. Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor imposed stipulations are met in the year of the contribution. These net assets are subject to the Board of Directors' discretionary control.

Net Assets With Donor Restrictions - Net assets with donor restrictions are those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization or passage of time. The Organization had net assets with donor restrictions consisted of $2,044,688 and $487,349 at September 30, 2025 and 2024, respectively.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

F. Certificates of Deposit

The Organization has invested in a certificate of deposit. The certificate of deposit is invested at Castle Rock Bank, that bears interest at a rate of 4.10% and matures on July 15, 2026. The value of the certificate of deposit at September 30, 2025 and 2024 was $36,066 and $34,446, respectively.

G. Government Grants Receivable

Government grants receivable consists primarily of noninterest-bearing amounts for services provided under grant and service contracts with governmental agencies, and the Organization considers such agreements to be conditional cost reimbursement transactions. Receivables arising from such government grants and contracts are recorded at their net realizable value, and generally no collateral is required. The Organization follows a policy of providing an allowance for uncollectible accounts; however, the Organization considers all accounts to be collectible and thus an allowance is not necessary. The receivables are expected to be collected within the following year. Amounts receivable under governmental contracts would be considered delinquent if the account is more than 90 days past the original due date and are written off when such accounts are determined to be uncollectible. There were no significant delinquent government contracts receivable at September 30, 2025 and 2024.

H. Accounts Receivable and Allowance for Credit Losses

Accounts receivable are reported at the amount the Organization expects to collect on balances outstanding at period end. The Organization uses the allowance method to account for uncollectible receivables. This method provides allowances for credit losses based on historical experiences and management's evaluation of estimated losses that will be incurred in the collection of receivables. No allowance for credit losses was deemed necessary by management for the years ended September 30, 2025 and 2024

I. Pledges Receivable

Unconditional promises to give that are expected to be collected are recorded as pledges receivable at net realizable value on the statement of financial position. Allowance for credit losses was $1,000 and $0 for the years ended September 30, 2025 and 2024, respectively. The allowance was based on historical experiences and management's evaluation of estimated losses that will be incurred.

Note 1: Summary of Significant Accounting Policies (Continued)

J. Property and Equipment

Property and equipment are recorded at cost or, in the case of contributed property, at fair value at the date of contribution. Expenditures for replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. At the time assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the statement of activities. The Organization capitalizes asset purchases over $3,500. Useful lives on property and equipment are estimated as follows:

Property and Equipment	Useful Life
Leasehold and Building Improvements	3 - 20 years
Equipment and Furnishings	5 - 10 years
Buildings	19 years

For the years ended September 30, 2025 and 2024, depreciation expense was $73,247 and $93,407 .

K. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Operating lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities. The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.

- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.

- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

Note 1: Summary of Significant Accounting Policies (Continued)

L. Revenue Recognition

The Organization's revenues are derived from its family support fees.

Family support fees are fees paid by the schools to deliver safety and stability that improves lives. These revenues are recognized at the time the services are performed, which is at a point in time. The performance obligation related to fees for services is satisfied upon completion of the services.

The total revenue earned at a point in time is $615,567 and $614,067, as of September 30, 2025 and 2024, respectively.

Contract balances

The Organization may offer payment terms resulting in accounts receivable, which are considered contract assets. Billing may occur in advance of revenue recognition, resulting in contract liabilities, which are recorded as deferred revenue on the statement of financial position. These deferred revenues are liquidated when revenue is recognized.

Contract assets and liabilities at the following dates are as follows:

	September 30, 2025	September 30, 2024	October 1, 2023
Accounts Receivable			
Family support fees	$ 46,218	$ 36,813	$ -
Deferred Revenue			
Family support fees	$ 125,427	$ 115,403	$ 219,872

M. Contributions and Grants

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports grants and contributions as restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

N. Conditional Grants

A portion of support is derived from cost-reimbursement government 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 grant provisions. Amounts received prior to incurring qualifying expenses are reported as refundable advances in the statement of financial position. Consequently, as of September 30, 2025, conditional grants of approximately $2,699,606, for which no amounts have been received in advance, have not been recognized in the accompanying financial statements.

O. Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation and amortization, which are allocated on a square footage basis, as well as salaries, employee benefits, payroll taxes, telephone, printing, and insurance, which are allocated on the basis of estimates of time and effort.

P. Advertising Expense

Advertising costs are expensed as incurred. The Organization recognized advertising expense of $11,044 and $2,556 in 2025 and 2024, respectively.

Q. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for tax purposes.

R. Subsequent Events

Subsequent events have been evaluated through January 27, 2026, the date of the financial statements were available for issuance.

Note 2: Fair Value Measurements

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. 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 hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 2: Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

Money Market Cash: Valued at cash value.

Certificate of Deposit: Valued at investment basis and accrued interest.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Mutual Funds - Fixed income and US Equities: Valued at the closing price reported in the active market in which the individual securities are traded.

The Organization's investments reported at fair value in the accompanying statement of financial position consist of the following as of September 30:

	2025			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 924,138	$ -	$ -	$ 924,138
Mutual funds	380,396	-	-	380,396
Mutual funds - fixed income and US equities	801,407	-	-	801,407
Certificate of deposit	-	36,066	-	36,066
Total	$ 2,105,941	$ 36,066	$ -	$ 2,142,007

	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds - fixed income and US equities	$ 456,832	$ -	$ -	$ 456,832
Mutual funds	340,357	-	-	340,357
Money market funds	215,619	-	-	215,619
Certificate of deposit	-	34,446	-	34,446
Total	$ 1,012,808	$ 34,446	$ -	$ 1,047,254

Note 3: Pledges Receivable

The Organization's pledges represent contributions for the Organization's capital campaign. Outstanding pledge contributions from various corporations, foundations, and individuals were discounted at a rate of 3.60% on imputed interest rates applicable to the year in which the promise was received and were as follows at September 30:

	2025
Pledges Receivables	
Due in One Year	$ 3,000
Due in Two to Five Years	100,000
Total	103,000
Discount to present value	(1,737)
Allowance for uncollectable pledges	(1,000)
Total Pledges Receivable , Net	$ 100,263

Note 4: Endowment Funds

The Organization’s endowment consists of a fund established for the purpose of providing funds for the Family Violence Prevention Endowment Fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization’s Board of Directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (the UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) original value of initial and subsequent gift amounts (including pledges receivable net of discount and allowance for doubtful accounts, including pledges receivable at fair value) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

The following factors are considered in making a determination to appropriate or accumulated donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Note 4: Endowment Funds (Continued)

The Organization has adopted investment and spending policies for endowment assets that provide for the preservation of capital and to provide a predictable stream of funding to the program supported by its endowment. The Organization utilizes cash accounts to achieve its long-term return objectives with prudent risk constraints.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted the UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no endowment funds underwater as of September 30, 2025 and 2024.

Changes in endowment net assets are as follows:

	2025	2024
Endowment net assets, beginning of year	$ 300,962	$ 300,962
Investment return, net	12,939	17,491
Appropriations for expenditure	(12,939)	(17,491)
Endowment Net Assets, End of Year	$ 300,962	$ 300,962

As of September 30, 2025 and 2024, the entire balance of endowment funds were classified as restricted.

Note 5: In-kind Donations

In-kind contributions consist of the following as of September 30:

	2025	2024	Usage in Programs/Activities	Fair Value Techniques
Food	2,518,254	2,361,525	Community Resources	Estimated value based on Feeding America report
Rent	133,423	151,267	Violence Prevention Intervention	Estimated at fair market value of comparable spaces for lease
Raffle prizes	54,667	79,062	Fundraising	Estimated at fair market value of retail prices from vendors
Total	$ 2,706,344	$ 2,591,854		

There were no donor restrictions for the in-kind contributions above.

Note 6: Lease Obligations and Contributed Facility Usage

Operating Leases

The Organization leases its office facility and certain equipment under operating and finance leases. The Organization is obligated to pay costs of insurance, taxes, repairs, and maintenance pursuant to the terms of the leases.

The Organization leases additional office space under an agreement that ran through January 2020. On June 17, 2024, a fourth lease amendment and relocation was signed and became effective during 2024, extending the lease term through January 2029. In addition to monthly base rent, the Organization is required to pay a pro rata share of the facility's maintenance costs and real estate taxes through January 2029.

Note 6: Lease Obligations and Contributed Facility Usage (Continued)

Operating Leases (Continued)

Additional information about the Organization's lease for the year ended September 30 is as follows:

	2025	2024
Lease Expense		
Operating lease expense	$ 101,566	$ 93,450
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 97,960	$ 89,018
ROU assets obtained in exchange for new operating lease liabilities	-	65,852
Weighted-average remaining lease term in years for operating leases	3.33	4.33
Weighted-average discount rate for operating leases	4.43%	4.43%

Maturities of lease liabilities are as follows:

Year ended September 30	Operating
2026	$ 101,420
2027	105,360
2028	109,360
2029	36,900
Total undiscounted cash flows	353,040
Less: present value discount	(24,671)
Total lease liabilities	$ 328,369

Note 7: Net Assets with Donor Restrictions

The Organization had net assets restricted by donors for the following purposes as of September 30:

	2025	2024
Subject to Expenditure for Specified Purpose		
Capital Campaign	$ 1,428,479	$ -
Endowment, perpetual in nature, earnings from which are subject to endowment spending policy appropriation	300,962	300,962
Violence Prevention	110,836	56,978
Food Shelf	103,634	66,040
Community Resources	71,315	63,369
Partners for Success	29,462	-
Total Net Assets with Donor Restrictions	$ 2,044,688	$ 487,349

Note 8: Liquidity and Availability of Financial Assets

The Organization has the following assets available to meet financial needs for one year:

	2025	2024
Financial Assets		
Cash and cash equivalents	$ 1,470,073	$ 913,805
Government grants receivable	824,720	852,056
Accounts receivable	46,218	36,813
Pledges receivables, net	100,263	-
Investments	1,841,045	746,292
Endowment	300,962	300,962
Total Financial Assets Available at Year-End	4,583,281	2,849,928
Less those Unavailable for General Expenditures Within One Year, Due to		
Net assets with donor restrictions	(2,044,688)	(487,349)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 2,538,593	$ 2,362,579

The Organization strives to maintain liquid financial assets sufficient to cover 70-90 days of general expenditures. As of September 30, 2025, the Organization maintains roughly 78 days of expenditures as liquid financials assets. Financial assets in excess of daily cash requirements are invested in certificates of deposit and investment accounts.

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
360 Communities
Burnsville, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 360 Communities (the Organization), a Minnesota not-for-profit corporation, which comprise the statements of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Abdo

Abdo
Minneapolis, Minnesota
January 27, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
360 Communities
Burnsville, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 360 Communities' (the Organization), a Minnesota not-for-profit corporation, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Award

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Abdo

Abdo
Minneapolis, Minnesota
January 27, 2026

360 Communities
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor Cluster/Program Title	Assistance Listing Number	Pass-Through Identification Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Child Care Development Fund Cluster:			
Passed-Through the Minnesota Department of Human Services:			
Child Care and Development Block Grant	93.575	GRK 196771	$ 812,687
Passed-Through the Minnesota Department of Children, Youth, and Families:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	GK302	230,229
Total Child Care Development Fund Cluster			1,042,916
Passed-Through the Minnesota Department of Human Services:			
Foster Care Title IV-E			
PFS-Farmington 7/24-6/25	93.658	DCC2024/2025-25186	41,216
PFS-South St. Paul 7/24-6/25	93.658	DCC2024/2025-25186	35,588
PFS-West St. Paul 7/24-6/25	93.658	DCC2024/2025-25186	49,206
PFS-Farmington 7/25-6/26	93.658	DCC2025/2026-26186	4,690
PFS-Lakeville 7/25-6/26	93.658	DCC2025/2026-26187	3,784
PFS-South St. Paul 7/25-6/26	93.658	DCC2025/2026-26186	4,984
PFS-West St. Paul 7/25-6/26	93.658	DCC2025/2026-26186	2,610
PFS-West St. Paul 7/25-6/26	93.658	DCC2025/2026-26187	765
Total Foster Care Title IV-E			142,843
Total U.S. Department of Health and Human Services:			1,185,759
U.S. Department of Justice:			
Passed-Through the Minnesota Department of Corrections:			
Crime Victim Assistance	16.575	A-CVS-2024-CACI-102	160,558
U.S. Department of Homeland Security:			
Emergency Food and Shelter National Board Program			
Emergency Food Shelter Program Phase 41	97.024	None noted	8,056
Total Federal Expenditures			$ 1,354,373

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

360 Communities
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended September 30, 2025. The information in this schedule is presented in accordance with the requirement of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended September 30, 2025, the Organization has elected to use the de minimis indirect cost rate as permitted under 2 CFR §200.414(f) of the Uniform Guidance. During the year ended September 30, 2025, certain federal awards applied the original de minimis rate of 10%, consistent with prior guidance and award terms. Other awards utilized the updated de minimis rate of 15%, in accordance with revisions to Uniform Guidance effective October 1, 2024. The rate applied to each award was based on the terms and conditions in effect at the time of the award and in consultation with the respective federal awarding agencies.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards:	
Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?	No

Identification of Major Programs:	Assistance Listing Number
Child Care Development Fund Cluster:	
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
Dollar threshold used to distinguish between Type A and Type B Programs:	$ 1,000,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance	Yes

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There are no significant deficiencies, material weaknesses, or instances of material noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

OTHER ISSUES

The Summary Schedule of Prior Audit Findings is not included in this report because there were no prior audit findings related to federal award programs.

A Corrective Action Plan is not required because there were no current year findings required to be reported in accordance with 2 CFR 200.516(a) (Uniform Guidance).