FINANCIAL STATEMENTS

KEYSTONE COMMUNITY SERVICES
ST. PAUL, MINNESOTA

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

Keystone Community Services
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Keystone Community Services
St. Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Keystone Community Services (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Keystone Community Services as of December 31, 2024 and 2023, 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 *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 Keystone Community Services 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 opinions.

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 Keystone Community Services 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Identify and assess the risks of material misstatement of the 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.

Other Matters

Supplementary Information in Relation to the Financial Statements as a Whole

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 June 18, 2025 on our consideration of Keystone Community Services' 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 Keystone Community Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Keystone Community Services' internal control over financial reporting and compliance.

Abdo

Abdo
Minneapolis, Minnesota
June 18, 2025

FINANCIAL STATEMENTS

Keystone Community Services

Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 1,117,556	$ 5,166,242
Accounts receivable, net of allowance for credit losses of $30,000 and $30,000 in 2024 and 2023, respectively	714,624	449,123
Grants receivable, current	2,600,000	261,054
Pledges receivable, current	-	88,732
Inventory	132,544	48,170
Prepaid expenses	2,241	11,439
Total Current Assets	4,566,965	6,024,760
Noncurrent Assets		
Investments	2,096,572	1,866,711
Grants receivable, noncurrent	-	500
Pledges receivable, noncurrent	-	300
Unemployment trust funds held by others	33,523	35,797
Property and equipment, net	9,497,521	8,781,036
Operating right-of-use assets	-	2,772
Total Noncurrent Assets	11,627,616	10,687,116
Total Assets	$ 16,194,581	$ 16,711,876
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 234,031	$ 198,263
Construction payable	-	3,068,924
Accrued payroll expenses	97,159	107,877
Notes payable, current	51,164	178,218
Operating lease liabilities	-	2,772
Total Current Liabilities	382,354	3,556,054
Noncurrent Liabilities		
Notes payable, noncurrent	4,237,457	4,017,510
Total Liabilities	4,619,811	7,573,564
Net Assets		
Without donor restriction	11,022,289	8,405,586
With donor restriction	552,481	732,726
Total Net Assets	11,574,770	9,138,312
Total Liabilities and Net Assets	$ 16,194,581	$ 16,711,876

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

Keystone Community Services

Statement of Activities

For the Year Ended December 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Support			
Contributions and grants	$ 1,857,001	$ 678,779	$ 2,535,780
In-kind contributions	4,277,071	-	4,277,071
Special events, net of direct benefits to donors of $37,990	105,777	-	105,777
Greater Twin Cities United Way	136,250	-	136,250
Government grants	3,517,768	-	3,517,768
Total Support	9,893,867	678,779	10,572,646
Revenue			
Program service fees	1,934,624	-	1,934,624
Food sales	248,851	-	248,851
Express Bike sales, net of costs of goods sold of $87,375	364,596	-	364,596
Investment income, net	262,314	-	262,314
Miscellaneous revenue	133,071	-	133,071
Total Revenue	2,943,456	-	2,943,456
Net Assets Released From Restrictions	859,024	(859,024)	-
Total Support and Revenue	13,696,347	(180,245)	13,516,102
Expenses			
Program Services			
Youth services	973,756	-	973,756
Senior services	2,013,152	-	2,013,152
Basic needs	6,006,800	-	6,006,800
Social enterprise	385,371	-	385,371
Total Program Services	9,379,079	-	9,379,079
Supporting Services			
Management and general	1,089,802	-	1,089,802
Fundraising	610,763	-	610,763
Total Supporting Services	1,700,565	-	1,700,565
Total Expenses	11,079,644	-	11,079,644
Change In Net Assets	2,616,703	(180,245)	2,436,458
Net Assets, Beginning of the Year	8,405,586	732,726	9,138,312
Net Assets, End of the Year	$ 11,022,289	$ 552,481	$ 11,574,770

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

Keystone Community Services
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Support			
Contributions and grants	$ 2,200,688	$ 674,258	$ 2,874,946
In-kind contributions	3,340,980	-	3,340,980
Greater Twin Cities United Way	50,000	-	50,000
Government grants	1,576,396	-	1,576,396
Total Support	7,168,064	674,258	7,842,322
Revenue			
Program service fees	2,067,256	-	2,067,256
Food sales	210,284	-	210,284
Express Bike sales, net of costs of goods sold of $99,066	273,451	-	273,451
Investment loss, net	289,492	-	289,492
Miscellaneous revenue	124,615	-	124,615
Total Revenue	2,965,098	-	2,965,098
Net Assets Released From Restrictions	853,217	(853,217)	-
Total Support and Revenue	10,986,379	(178,959)	10,807,420
Expenses			
Program Services			
Youth services	892,675	-	892,675
Senior services	2,057,077	-	2,057,077
Basic needs	4,826,186	-	4,826,186
Social enterprise	346,038	-	346,038
Total Program Services	8,121,976	-	8,121,976
Supporting Services			
Management and general	1,044,149	-	1,044,149
Fundraising	827,969	-	827,969
Total Supporting Services	1,872,118	-	1,872,118
Total Expenses	9,994,094	-	9,994,094
Change In Net Assets	992,285	(178,959)	813,326
Net Assets, Beginning of the Year	7,413,301	911,685	8,324,986
Net Assets, End of the Year	$ 8,405,586	$ 732,726	$ 9,138,312

Keystone Community Services
Statements of Functional Expenses
For the Year Ended December 31, 2024

	Program Services					Supporting Services			
	Youth Services	Basic Needs	Senior Services	Social Enterprise	Total Program Services	General & Administrative	Fundraising	Total Support Services	Total Expenses
Personnel Expenses									
Salaries	$ 679,004	$ 622,223	$ 1,380,037	$ 295,707	$ 2,976,971	$ 596,770	$ 273,380	$ 870,150	$ 3,847,121
Payroll taxes	54,119	49,515	109,678	23,419	236,731	42,191	22,027	64,218	300,949
Employee benefits	42,982	44,411	102,710	25,998	216,101	78,256	24,205	102,461	318,562
Total Personnel Expenses	776,105	716,149	1,592,425	345,124	3,429,803	717,217	319,612	1,036,829	4,466,632
Expenses									
Client assistance	10,071	54,116	1,761	-	65,948	-	5,164	5,164	71,112
Conference & staff training	4,431	1,998	2,749	897	10,075	2,867	1,623	4,490	14,565
Depreciation	5,845	451,128	18,528	-	475,501	6,552	1,517	8,069	483,570
Equipment rental & maintenance	10,603	9,904	4,203	-	24,710	31,781	2,446	34,227	58,937
Food	9,662	386,617	149,949	1,097	547,325	2,336	112	2,448	549,773
In-kind donations of food	-	4,173,082	-	-	4,173,082	-	-	-	4,173,082
Miscellaneous	5,897	3,171	3,260	110	12,438	70,575	43,971	114,546	126,984
Occupancy	19,994	73,696	42,396	17,652	153,738	54,077	3,046	57,123	210,861
Organization dues & subscriptions	8,261	15,656	96,260	1,576	121,753	23,171	17,121	40,292	162,045
Outside printing	531	14,116	3,629	-	18,276	3,849	41,425	45,274	63,550
Postage & shipping	104	102	2,620	465	3,291	708	9,507	10,215	13,506
Professional fees/contracted services	33,658	16,330	48,574	4,129	102,691	157,086	149,923	307,009	409,700
Recruitment	100	2,192	232	-	2,524	292	20	312	2,836
Supplies	52,197	66,501	20,507	13,217	152,422	11,073	13,486	24,559	176,981
Telephone	9,142	3,773	11,439	633	24,987	4,537	1,101	5,638	30,625
Transportation	27,155	18,269	14,620	471	60,515	3,681	689	4,370	64,885
Total Expenses	$ 973,756	$ 6,006,800	$ 2,013,152	$ 385,371	$ 9,379,079	$ 1,089,802	$ 610,763	$ 1,700,565	$ 11,079,644

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

Keystone Community Services
Statements of Functional Expenses (Continued)
For the Year Ended December 31, 2023

	Program Services					Supporting Services			
	Youth Services	Basic Needs	Senior Services	Social Enterprise	Total Program Services	General & Administrative	Fundraising	Total Support Services	Total Expenses
Personnel Expenses									
Salaries	$ 581,965	$ 569,758	$ 1,328,336	$ 239,842	$ 2,719,901	$ 652,854	$ 302,805	$ 955,659	$ 3,675,560
Payroll taxes	47,596	46,667	109,052	19,779	223,094	52,424	24,778	77,202	300,296
Employee benefits	36,440	37,955	87,998	16,393	178,786	93,813	21,073	114,886	293,672
Total Personnel Expenses	666,001	654,380	1,525,386	276,014	3,121,781	799,091	348,656	1,147,747	4,269,528
Expenses									
Client assistance	23,745	69,028	470	-	93,243	2,736	-	2,736	95,979
Conference & staff training	9,926	574	4,368	282	15,150	4,048	442	4,490	19,640
Depreciation	23,198	145,304	21,285	31,697	221,484	7,300	1,646	8,946	230,430
Equipment rental & maintenance	10,436	14,167	530	30	25,163	21,871	-	21,871	47,034
Food	9,688	280,684	139,416	2,154	431,942	12	-	12	431,954
In-kind donations of food	-	3,357,118	-	-	3,357,118	-	-	-	3,357,118
Miscellaneous	5,048	5,630	129,913	477	141,068	15,647	83,582	99,229	240,297
Occupancy	25,186	191,310	63,191	17,099	296,786	65,650	3,974	69,624	366,410
Organization dues & subscriptions	7,746	12,344	77,271	2,894	100,255	15,276	18,134	33,410	133,665
Outside printing	261	3,761	767	467	5,256	2,009	39,023	41,032	46,288
Postage & shipping	11	652	2,643	525	3,831	1,139	6,558	7,697	11,528
Professional fees /contracted services	30,786	22,448	54,518	2,896	110,648	66,248	218,591	284,839	395,487
Recruitment	704	2,551	931	45	4,231	327	50	377	4,608
Supplies	38,307	38,754	14,826	10,788	102,675	33,788	105,246	139,034	241,709
Telephone	9,159	7,853	9,370	313	26,695	3,915	1,188	5,103	31,798
Transportation	32,473	19,628	12,192	357	64,650	5,092	879	5,971	70,621
Total Expenses	$ 892,675	$ 4,826,186	$ 2,057,077	$ 346,038	$ 8,121,976	$ 1,044,149	$ 827,969	$ 1,872,118	$ 9,994,094

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

Keystone Community Services

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ 2,436,458	$ 813,327
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	483,570	230,430
Operating lease expense in excess of cash paid	-	(166)
Net realized and unrealized investment gain	(185,399)	(166,600)
Change in assets and liabilities:		
Accounts receivable	(265,501)	(15,678)
Grants receivable	(2,338,446)	160,933
Pledge receivable	89,032	105,834
Inventory	(84,374)	25,575
Prepaid expenses	9,198	5,523
Unemployment funds held by others	2,274	(7,850)
Accounts payable	35,768	55,722
Construction payable	(3,068,924)	3,068,924
Accrued payroll expenses	(10,718)	247
Accrued vacation	-	22,779
Cash Provided (Used) by Operating Activities	(2,897,062)	4,299,000
Cash Flows from Investing Activities		
Purchases of property and equipment	(928,943)	(5,998,900)
Proceeds from sales of investments	15,895	13,966
Purchases of investments	(60,357)	(54,378)
Net Cash Used by Investing Activities	(973,405)	(6,039,312)
Cash Flows from Financing Activities		
Proceeds from note payable	-	2,592,509
Payments on note payable	(178,219)	(31,679)
Net Cash Provided (Used) by Financing Activities	(178,219)	2,560,830
Change in Cash and Cash Equivalents	(4,048,686)	820,518
Cash and Cash Equivalents at Beginning of Year	5,166,242	4,345,724
Cash and Cash Equivalents at End of Year	$ 1,117,556	$ 5,166,242
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	$ 99,318	84,859
Supplemental Disclosure of Noncash Investing and Financing Activities		
Property and equipment purchased through financing	$ 271,112	$ -

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

Note 1: Summary of Significant Accounting Policies

A. Organization and Purpose

Keystone Community Services (the Organization), is a not-for-profit organization founded in 1939. The mission of the Organization is to strengthen the capacity of individuals and families to improve their quality of life. The Organization provides human services in the areas of basic needs, youth programs, and senior services in Ramsey County.

Programs

Keystone supports residents primarily in Saint Paul and Ramsey County, offering services at six community locations in Saint Paul. Program areas include:

- **Keystone Youth Development Programs** help Saint Paul youth succeed at school and in careers. We operate the Community Kids after-school program at West 7th Community Center for youth in grades K-11, a tutoring program at McDonough Community Center that supports children in grades K-8, our youth employment and training program for teens which includes our social enterprise, Express Bike Shop, and Keystone's Best Buy Teen Tech Center. In 2024, 347 youth participated in Keystone youth programs and in 2023, 343 youth participated.

- **Keystone Basic Needs Programs** helps Saint Paul and Ramsey County individuals and families meet their needs for emergency food support and other social services each year. Keystone operates two food shelves, Midway and Rice Street as well as three mobile food programs - Foodmobile program, Grocery Delivery and summer Free Farmer's Market produce distributions. We also offer crisis assistance, case management services, and referrals. In 2024 and 2023, Keystone supported 52,124 and 51,068 people, respectively.

- **Keystone Senior Programs** help Saint Paul seniors remain healthy and independent. Keystone offers senior exercise and social programs at two community centers in Saint Paul: Merriam Park and West 7th. We also provide in-home care management, Meals on Wheels and health advocacy support to help Ramsey County seniors live safely and independently in their own homes. In 2024, 2,952 seniors participated in Keystone programs and in 2023, 1,943 seniors were served.

- **Keystone Social Enterprise Programs** are offered at two multi-service centers, West 7th Community Center and Merriam Park Community Center, and include programs that annually serve neighbors of all ages and backgrounds. Activities offered for the community include community art activities, family fun activities, Fare for All, tax assistance, and free legal clinics.

B. Basis of Presentation

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

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 changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Those resources over which the Organization has discretionary control. Designated amounts represent those revenues that the Board of Directors has set aside for a particular purpose.

Net Assets With Donor Restrictions

Those resources subject to donor-imposed restrictions, which are satisfied by actions of the Organization or passage of time, or are to be maintained permanently by the Organization.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all investments purchased with a maturity of three months or less to be cash equivalents.

D. Accounts Receivable

Fee-for-service receivables consist primarily of noninterest-bearing amounts due for services performed. Management determines the allowance for credit losses based on historical experience, an assessment of current conditions, a review of subsequent collections, and reasonable and supportable forecasts regarding future events. Fee-for-service receivables are written off when deemed uncollectable. At December 31, 2024 and 2023, the allowance for credit losses was $30,000 and $30,000, respectively.

E. Pledges

The Organization records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Management expects all pledges to be collected; there is no allowance for uncollectible amounts as of December 31, 2024 and 2023.

F. Grants Receivable

Government grant revenue is recognized when the allowable activity is performed. Government grants receivable consist of amounts due from government agencies for program services rendered as of December 31, 2024 and 2023. These amounts are based on reimbursement requests submitted to the government agencies. All amounts are expected to be collected within the next year, and therefore, no allowance for uncollectible accounts has been recorded.

G. Inventories

Inventories, consisting primarily of The Emergency Food Assistance Program (TEFAP) food, pedal bikes and bike parts, are stated at lower of cost or net realizable value, with cost determined on a first-in, first-out (FIFO) basis. TEFAP inventory is used in the operations of Keystone’s Basic Needs program and pedal bikes and bike parts are used in the operations of the Express Bike Shop.

H. Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation based upon quoted market prices, when available, or estimates of fair value. Thereafter, investments are reported at their fair values in the statement of financial position. Investment income or loss and unrealized gains or losses are reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, less investment management fees.

I. Property and Equipment

Property and equipment over $2,500 are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are current expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

J. 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. Operating 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. Operating 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. 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.

K. Revenue Recognition

Revenue

Program service fees are recognized when the service is rendered, revenue is recognized at a point in time.

In the case of food and bike sales, revenue is recognized at the time of the sale, is recognized at a point in time.

Performance Obligations

The performance obligations related to program service fees are satisfied when the service is rendered; therefore, revenue is recognized at a point in time.

The performance obligations related to the sale of food and bikes is satisfied upon completion of the sale; therefore, the performance obligation is satisfied at a point in time.

Keystone Community Services performance obligations are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
At a point in time	$ 259,005	$ 224,374	$ 231,796

Note 1: Summary of Significant Accounting Policies (Continued)

K. Revenue Recognition (Continued)

Contract Balances

Billing primarily occurs concurrently with revenue recognition. However, 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.

Accounts receivable included on the statement of financial position represents all amounts billed and earned in the current year. Accounts receivable consist of amounts primarily due to the Organization for the service fees earned but not received. Contract assets consist of the following at:

	December 31, 2024	December 31, 2023	January 1, 2023
Food and bike receivables	$ 57,306	$ 14,101	$ 8,383
Program service receivables	421,817	427,344	546,015
Allowance for credit losses	$ 30,000	$ 30,000	$ 8,000

Support

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 donations. 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 combined 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.

L. In-kind Contributions

The Organization reports gifts of non-cash assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Donated marketable securities are sold when received. These securities and other noncash donations are recorded as contributions at their estimated fair market values at the date of donation or on the date the securities are sold.

M. Cash and Cash Equivalents

The Organization maintains cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC.

N. Donated Services

The Organization has a large and dedicated team of volunteers that perform a variety of tasks that assist the Organization with specific programs and supporting services. These services are not recognized in the financial statements since the criteria for recording the services were not met. In 2024, 1,553 volunteers supported Keystone services and in 2023, 2,076 volunteers provided support.

The Organization records donated professional services at the respective fair values of the services received.

Note 1: Summary of Significant Accounting Policies (Continued)

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Allocation of Functional Expenses

Salaries and related expenses are allocated based on job descriptions and management estimates. Expenses, other than salaries and related payroll expenses, that are not directly identifiable by program or support service, are allocated based on management estimates of employee headcount and square footage.

Q. Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ending December 31, 2024 and 2023 was $5,317 and $6,229, respectively.

R. Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05.

S. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for the potential recognition or disclosure through June 18, 2025, the date the financial statements were available to be issued.

On April 9, 2025, the Organization paid off the remaining balance of its mortgage related to the building located at 1790 University Avenue West, Saint Paul, Minnesota. The mortgage payoff amount was $1,695,886. This event does not affect the financial position of the Organization as of December 31, 2024, and therefore, has not been recognized in the accompanying financial statements.

Note 2: Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Equipment and vehicles	$ 988,107	$ 731,476
Land and Buildings	9,857,636	2,493,110
Leasehold Improvements	581,175	581,175
Construction-in-process	-	6,421,102
Total Property and Equipment	11,426,918	10,226,863
Less: Accumulated Depreciation	(1,929,397)	(1,445,827)
Property and Equipment, Net	$ 9,497,521	$ 8,781,036

Note 3: 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 an active market 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.

Following is a description of the valuation methodologies used for assets measured at fair value:

Certificates of Deposit and Money Market Funds: Valued at cash value.

Common Stock, Exchange Traded Funds and Corporate Bonds and Notes: Valued at the daily closing price of the underlying stocks and bonds. The stocks and bond funds held by the Organization are deemed to be actively traded.

Note 3: Fair Value Measurements (Continued)

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

December 31, 2024	Level 1	Level 2	Level 3	Total
Investments:				
Common stock	$ 1,157,475	$ -	$ -	$ 1,157,475
Money market funds	66,924	-	-	66,924
Certificates of deposit	29,805	-	-	29,805
Corporate bonds and notes	738,524	-	-	738,524
Exchange traded funds	103,844	-	-	103,844
Total Investments	$ 2,096,572	$ -	$ -	$ 2,096,572

December 31, 2023	Level 1	Level 2	Level 3	Total
Investments:				
Common stock	$ 1,015,682	$ -	$ -	$ 1,015,682
Money market funds	71,850	-	-	71,850
Certificates of deposit	29,092	-	-	29,092
Corporate bonds and notes	649,260	-	-	649,260
Exchange traded funds	100,827	-	-	100,827
Total Investments	$ 1,866,711	$ -	$ -	$ 1,866,711

Note 4: Unemployment Fund

The Organization has elected to opt out of participation in the Minnesota Unemployment Insurance Program. The Organization is self-insured for unemployment claims through Unemployment Services Trust (UST). Payments to UST are accumulated and used to pay future claims. An expense is recorded as claims are paid by UST. The Organization believes there is no significant liability for claims incurred during the fiscal year ending December 31, 2024.

Note 5: Line of Credit

During 2022, Keystone Community Services entered into a $500,000 revolving line of credit with Old National Bank through September 15, 2025. The credit is secured by all assets of the Organization. Borrowings under the line bear interest at the bank's prime rate. The line of credit had no balance due at December 31, 2024 and 2023.

Note 6: Leases

Effective February 2017, the Organization entered into a building lease agreement with 1910 University Partners LLC that calls for monthly payments of $2,646, increasing annually. The lease has been modified and extended with the latest amendment extended the lease through December 2023, with monthly payments of $4,113.

Effective August 2019, the Organization entered into a building lease with Midwest Special Services, Inc. that calls for monthly payments of $100. The lease has been modified so that payments were $1,380 in 2022 and expired on May 31, 2023.

The Organization has entered into various vehicle leases with Jim Carlson Leasing. Most of these leases are short-term leases, with options to purchase the vehicle that were not exercised by the Organization. One of these leases is not short-term and has been capitalized. The lease commenced September 2022 and calls for monthly payments of $350 and ended August 2024.

Note 6: Leases (Continued)

Additional information about the Organization's leases for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Lease Expense (included in operating expenses)		
Operating lease expense	$ 2,768	$ 28,920
Short-term lease expense	-	10,464
Total Lease Expense	$ 2,768	$ 39,384
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 2,768	$ 28,810
Weighted-average remaining lease term in years for operating leases	-	0.67
Weighted-average discount rate for operating leases	0.00%	3.52%

Note 7: Distributions from Community Endowments

The Organization receives annual distributions from three endowments. These endowments are managed by Saint Paul and Minnesota Foundation and have distributed earnings from the endowments to the Organization every year since the endowments were created. The amount to be distributed from a fund is 5.5% of the fund's average market value over the last 16 calendar quarters but not less than 4.5% of the fund's current market value and not more than 6.25% of the current market value, less administrative fees. A spending policy factor is used to convert current market value into 16-quarter average market value.

Endowment fund balances and related distributed earnings for the years ended December 31:

	Balance	
	2024	2023
St. Paul Foundation	$ 248,436	$ 240,807
Oneida Education Center Fund	106,352	103,087
Minnesota Community Foundation	45,196	43,808
Total Endowments	$ 399,984	$ 387,702

	Distributed Earnings	
	2024	2023
St. Paul Foundation	$ 11,449	$ 11,341
Oneida Education Center Fund	4,902	4,856
Minnesota Community Foundation	2,083	2,063
Total Distributions Received	$ 18,434	$ 18,260

Note 8: Notes Payable

The Organization had long-term debt at December 31, 2024 and 2023 as follows:

	2024	2023
The Organization obtained a note payable to U.S Bank National Association on September 20, 2019 for their pension liability. Prior to 2019, the Organization participated in a multiemployer defined benefit pension plan with 16 other agencies called the Twin Cities Nonprofit Partners Pension Plan. Of the approximately 1,060 participants, 5.3% were Keystone's employees, and the plan froze benefit accruals starting on December 31, 2004. In September 2019, the agencies voted to shut down the plan. As a result, the obligations to the participants needed to be funded. In order to fulfill this obligation, U.S. Bank was chosen as the banker for a group loan to fulfill the annuities required to satisfy obligation to participants. The note is due in monthly payments of $3,360 including interest at 4.36%. The payment schedule reflects a 5-year amortization; all unpaid principal and accrued interest is payable on October 1, 2024 with an option to continue the note for another five-year period with a new interest rate. The Organization exercised the option to prepay a portion of the loan during the year. The note was secured by a $15,000 collateral deposit made by the Organization at the time of the loan.	$ -	$ 178,218
The Organization entered into a mortgage with Sunrise Bank on December 28, 2020 in the amount of $1,425,000. In 2023 the loan was renegotiated to allow draws of principal up to a balance of $3,214,151, at an interest rate of 6.02%, due in interest only installments until 2025, then in payments of $11,393 until a final balloon payment in March of 2028.	1,696,112	1,425,000
The Organization entered into a note payable with the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota and the City of Saint Paul, Minnesota, in the amount of $2,602,255 with an interest rate of 0%. Monthly payments are deferred until January 25, 2033, the Borrower's refinance of the Property, the Borrower's voluntary or involuntary sale or conveyance of the Property or any portion thereof or any foreclosure of the Property. As long as the Organization is in compliance with the terms and conditions of the note, 50% of the loan will be forgiven January 25, 2028 and the remainder will be forgiven January 25, 2033.	2,592,509	2,592,509
Total Debt	4,288,621	4,195,727
Less: Current Portion	(40,438)	(178,218)
Total Long Term Debt	$ 4,248,183	$ 4,017,509

Note 8: Notes Payable (Continued)

Scheduled maturities of long-term debt as of December 31, 2024 are as follows:

Years Ending December 31,	Amount
2025	$ 40,438
2026	38,093
2027	30,045
2028	1,587,536
2029	-
Thereafter	2,592,509
Total	$ 4,288,621

Note 9: Net Assets with Donor Restriction

The Organization had the following donor-restricted net assets at December 31:

	2024	2023
Food shelf and basic needs	$ 422,481	$ 459,694
Pledges receivable - time restricted	130,000	89,032
General Operations - time restricted	-	70,500
Express bike	-	33,000
Youth program	-	55,500
Teen tutoring employment	-	25,000
Total Donor Restricted Net Assets	$ 552,481	$ 732,726

Note 10: In-kind Contributions

In-kind contributions consist of food, bikes, and other products donated by individuals, schools, civic groups, businesses, and churches. A pound of food was valued at an estimate of $1.92 for the years ended December 31, 2024 and 2023, respectively. There is a 10% spoilage factor for food donated that is not usable. None of the in-kind donations are donor restricted.

The Organization had the following in-kind contributions for years ended December 31:

	2024	2023	Usage in Programs/Activities	Fair Value Techniques
Food	$ 4,159,793	$ 3,149,680	School lunches and food distribution center	Estimated fair value per pound of food based on donor recommended food value
Bikes	73,670	97,235	Repaired and resold or granted by Express Bike Shop	Estimated fair value per bike received based on similar used bikes or donor valuation
School supplies	22,114	40,234	Used in youth programming and distributed to the community	Estimated fair value based on similar items in the market
Household goods	21,494	53,831	Distribution to individuals in all programs	Estimated fair value based on similar items in the market
Total	$ 4,277,071	$ 3,340,980		

Note 11: Lease Income

The Organization leases its property to various organizations and programs. These leases are considered operating leases and range from $30 to $1,700 per month. Many leases are on a month-to-month basis. The total lease income for the years ended December 31, 2024 and 2023 was $39,749 and $43,471, respectively. The lessees do not have the option to purchase the underlying assets.

As of December 31, 2024, future minimum lease payments to be received of the leases are as follows:

Year Ended December 31,	Amount
2025	$ 39,748
2026	38,189
2027	32,599
Total	$ 110,536

Note 12: Facilities

The building used by the Organization for its community and administrative service programs is located at 2000 St. Anthony Avenue, St. Paul, Minnesota. The facility was transferred to the City of St. Paul, reserving to the Organization the free and exclusive occupancy, management, control, use and maintenance, in perpetuity, at a cost of $1. The building had an approximate cost of $522,000 at the time of transfer.

Note 13: Liquidity and Availability of Financial Assets

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 sheet date, comprise the following:

	2024	2023
Cash and cash equivalents	$ 1,117,556	$ 5,166,242
Accounts receivable	714,624	449,123
Grants receivable	2,600,000	261,554
Pledges receivable	-	89,032
Investments	2,096,572	1,866,711
Total Financial Assets	6,528,752	7,832,662
Less Financial Assets Unavailable for Current Year Spending due to:		
Net assets with donor restrictions	(422,481)	(573,194)
Grants receivable, noncurrent	-	(500)
Pledges receivable, noncurrent	-	(300)
Total Financial Assets Unavailable for Current Year Spending	(422,481)	(573,994)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,106,271	$ 7,258,668

As part of liquidity management, the organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

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
Keystone Community Services
Saint Paul, 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 Keystone Community Services (the Organization), a Minnesota not-for-profit corporation, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2025.

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
June 18, 2025

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

Board of Directors
Keystone Community Services
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Organization's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. 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 December 31, 2024.

Basis for Opinion on Each Major Federal Program

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
June 18, 2025

Keystone Community Services

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2024

Federal Grantor Cluster Title Program Title Pass-Through Agency	Assistance Listing Number	Pass-Through Identification Number	Federal Expenditures
United States Department of Agriculture			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Passed Through the State of Minnesota	10.561	GRK%220005	$ 90,267
Total SNAP Cluster			90,267
Food Distribution Cluster			
Emergency Food Assistance Program (Food Commodities)			
Passed Through Second Harvest Heartland	10.569	GRK%144570	1,041,240
Total Food Distribution Cluster			1,041,240
Total United States Department of Agriculture			1,131,507
United States Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants			
Passed-Through the Housing and Redevelopment Authority of the City of St Paul, Minnesota	14.218	None Noted	2,592,509
Passed Through Ramsey County, Minnesota	14.218	None Noted	39,716
Total CDBG - Entitlement Grants Cluster			2,632,225
United States Department of the Treasury:			
Coronavirus State and Local Fiscal Recovery Funds			
COVID-19: Passed Through the State of Minnesota	21.027	A-ARPVI-2022-KEYSTOCS-00028	1,806
United States Department of Education			
Special Education Cluster			
Special Education Grants to States			
COVID-19: Passed Through the Minnesota Department of Education	84.027	None Noted	43,082
Total Special Education Cluster			43,082
Twenty-First Century Community Learning Centers			
Passed-Through the Minnesota Department of Education	84.287	S287C190023	290,820
Total United States Department of Education			333,902
United States Department of Health and Human Services			
Aging Cluster			
Special Programs for the Aging, Title III, Part C, Nutrition Services			
Passed Through Metro Meals on Wheels	93.945	None Noted	64,883
Total Aging Cluster			64,883
United States Department of Homeland Security			
Emergency Food and Shelter National Board Program			
Passed Through Ramsey County, Minnesota	97.024	503200-019	4,480
Total Federal Expenditures			$ 4,168,803

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

Keystone Community Services
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

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 December 31, 2024. 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*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

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 2 CFR 200.516(a), *Cost Principles for Non-Profit Organizations*, 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 December 31, 2024, the Organization did not elect to use the 10% de minimis indirect cost rate.

Note 6: Loan or Loan Guarantee Programs

The balance of the loan outstanding for the Community Development Block Grants/Entitlement Grants program, Assistance Listing Number 14.218, as of December 31, 2024 is $2,592,509.

Keystone Community Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

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
Food Distribution Cluster	10.569
Dollar threshold used to distinguish between Type A and Type B Programs:	$ 750,000
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 required because there were no prior year audit findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

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).