
***LATIN UNITED COMMUNITY HOUSING
ASSOCIATION AND SUBSIDIARIES***
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

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Independent Auditors' Report

Board of Directors
Latin United Community Housing
Association And Subsidiaries
Chicago, Illinois

Opinion

We have audited the consolidated financial statements of Latin United Community Housing Association and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Latin United Community Housing Association and Subsidiaries as of December 31, 2024 and 2023, and the results of their activities and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements section of our report. We are required to be independent of Latin United Community Housing Association and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Latin United Community Housing Association and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Latin United Community Housing Association and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Latin United Community Housing Association and Subsidiaries' 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 Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidating Statement of Financial Position and Consolidating Statement of Activities and Changes in Net Assets is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RubinBrown LLP

October 27, 2025

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND
SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PAGE 1 OF 2

	Assets	
	December 31,	
	2024	2023
Current Assets		
Cash	\$ 451,014	\$ 469,039
Accounts receivable	125,201	11,475
Tenant accounts receivable, net	235,599	262,615
Developer fees receivable	105,000	—
Prepaid expenses	29,041	19,259
Total Current Assets	945,855	762,388
Restricted Cash		
Real estate tax and insurance escrows	100,327	102,452
Replacement reserves	106,093	114,800
Operating reserves	279,285	124,063
Tenant security deposits	111,815	119,194
Other reserves	2,009,981	9,981
Total Restricted Cash	2,607,501	470,490
Property And Equipment		
Land	4,588,591	4,588,591
Buildings and improvements	42,626,179	42,626,180
Furniture and equipment	3,091,047	3,085,947
Land improvements	1,499,052	1,499,052
Total Property And Equipment	51,804,869	51,799,770
Less: Accumulated depreciation	(15,162,491)	(13,453,323)
Net Property And Equipment	36,642,378	38,346,447
Other Assets		
Loans receivable	3,680,000	3,680,000
Loan allowances	(3,680,000)	(3,680,000)
Investments in projects	70	70
Pre-development costs	685,167	281,254
Deferred fees, net	40,108	48,785
Total Other Assets	725,345	330,109
Total Assets	\$ 40,921,079	\$ 39,909,434

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND
SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PAGE 2 OF 2

	December 31,	
	2024	2023
Liabilities And Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 766,191	\$ 1,102,078
Accounts payable	461,869	195,352
Prepaid rent	16,669	10,104
Accrued interest	146,483	68,861
Accrued real estate taxes	238,907	207,672
Deferred revenue	68,147	88,508
Due to related parties	17,282	—
Program escrow	—	4,215
Tenant security deposits	105,650	104,489
Line of credit	99,700	100,000
Total Current Liabilities	1,920,898	1,881,279
Long-Term Liabilities		
Long-term debt, net of current portion	25,601,358	24,630,849
Less: Debt issuance costs	(173,351)	(183,251)
Other long-term liabilities - accrued interest	1,777,025	1,596,053
Total Long-Term Liabilities	27,205,032	26,043,651
Total Liabilities	29,125,930	27,924,930
Net Assets		
Without donor restrictions		
Controlling interests	1,784,631	2,205,049
Non-controlling interests	8,010,518	9,779,455
With donor restrictions		
Temporarily restricted	2,000,000	—
Total Net Assets	11,795,149	11,984,504
Total Liabilities And Net Assets	\$ 40,921,079	\$ 39,909,434

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	For The Years	
	Ended December 31,	
	2024	2023
Support		
City of Chicago, Department of Planning and Development	\$ 436,450	\$ 427,947
Freddie Mac (previously restricted)	—	100,000
Foundations, companies and individuals	109,634	104,112
Total Support	546,084	632,059
Revenue		
Net rental revenue	1,881,740	1,773,362
Development fees	262,500	262,500
Interest income	10,516	633
Miscellaneous income	291,155	606,955
Total Revenue	2,445,911	2,643,450
Total Support And Revenue	2,991,995	3,275,509
Expenses		
Office expenses	150,196	70,555
Advertising	16,706	9,645
Utilities expense	232,600	222,839
Professional fees	204,561	106,072
Telephone and technology	64,088	140,403
Insurance expense	247,641	233,355
Real estate taxes	158,356	158,484
Bad debts	132,893	87,053
Licenses, permits and dues	3,035	5,853
Repairs and maintenance	312,698	363,209
Salaries and benefits	1,270,999	1,661,884
Mortgage interest	405,066	457,465
Miscellaneous operating expenses	89,490	86,783
Property management fees	78,760	67,586
Partnership management fees	16,068	(9,143)
Program construction materials	57,112	31,047
Miscellaneous program expenses	23,236	8,287
Depreciation	1,709,168	1,559,733
Amortization	8,677	8,677
Total Expenses	5,181,350	5,269,787
Other Expense		
Loss due to fraud	—	162,445
Total Other Expense	5,181,350	5,432,232
Decrease In Unrestricted Net Assets	(2,189,355)	(2,156,723)
Net Assets At Beginning Of Year	11,984,504	14,241,227
Net Assets Temporarily Restricted	2,000,000	—
Net Assets Released From Restrictions	—	(100,000)
Net Assets At End Of Year	\$ 11,795,149	\$ 11,984,504

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

December 31, 2024

	Program Services			Supporting Services			2024 Total
	Home Repairs and Emergency Weatherization	Housing Counseling, Information and Referrals	General Housing Development and Operation	Total Program Services	Management and General	Fundraising	
Office expenses	\$ 33,043	\$ 51,818	\$ 33,794	\$ 118,655	\$ 23,280	\$ 8,261	\$ 150,196
Advertising	1,504	1,504	13,364	16,372	334	—	16,706
Utilities expense	3,489	5,350	220,737	229,576	1,791	1,233	232,600
Professional fees	20,456	32,730	120,691	173,877	26,593	4,091	204,561
Telephone and technology	9,293	14,099	24,994	48,386	10,575	5,127	64,088
Insurance expense	6,191	9,906	216,686	232,783	12,382	2,476	247,641
Real estate taxes	1,584	1,584	155,188	158,356	—	—	158,356
Bad debts	—	—	132,893	132,893	—	—	132,893
Licenses, permits and dues	470	713	1,503	2,686	349	—	3,035
Repairs and maintenance	9,381	6,254	290,809	306,444	3,127	3,127	312,698
Salaries and benefits	101,680	597,370	317,750	1,016,800	216,070	38,129	1,270,999
Mortgage interest	20,253	32,405	332,154	384,812	16,203	4,051	405,066
Miscellaneous operating expenses	635	5,361	83,047	89,043	447	—	89,490
Property management fees	—	—	78,760	78,760	—	—	78,760
Partnership management fees	—	—	16,068	16,068	—	—	16,068
Program construction materials	57,112	—	—	57,112	—	—	57,112
Miscellaneous program expenses	—	—	23,236	23,236	—	—	23,236
Depreciation	342	514	1,708,141	1,708,997	137	34	1,709,168
Amortization	—	—	8,677	8,677	—	—	8,677
	\$ 265,433	\$ 759,608	\$ 3,778,492	\$ 4,803,533	\$ 311,288	\$ 66,529	\$ 5,181,350

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES *(Continued)*

December 31, 2023

	Program Services				Supporting Services			2023 Total
	Home Repairs and EmergenPY Weatherization	Housing Counseling, Information and Referrals	General Housing Development and Operation	Total Program Services	Management and General	Fundraising		
Office expenses	\$ 15,522	\$ 24,341	\$ 15,875	\$ 55,738	\$ 10,936	\$ 3,881	\$ 70,555	
Advertising	868	869	7,716	9,453	192	—	9,645	
Utilities expense	3,343	5,125	211,474	219,942	1,716	1,181	222,839	
Professional fees	10,607	16,972	62,583	90,162	13,789	2,121	106,072	
Telephone and technology	20,358	30,889	54,757	106,004	23,167	11,232	140,403	
Insurance expense	5,834	9,334	204,186	219,354	11,667	2,334	233,355	
Real estate taxes	1,585	1,585	155,314	158,484	—	—	158,484	
Bad debts	—	—	87,053	87,053	—	—	87,053	
Licenses, permits and dues	907	1,375	2,898	5,180	673	—	5,853	
Repairs and maintenance	10,896	7,264	337,784	355,944	3,632	3,633	363,209	
Salaries and benefits	132,951	781,085	415,471	1,329,507	282,521	49,856	1,661,884	
Mortgage interest	22,873	36,597	375,121	434,591	18,299	4,575	457,465	
Miscellaneous operating expenses	616	5,198	80,535	86,349	434	—	86,783	
Property management fees	—	—	67,586	67,586	—	—	67,586	
Partnership management fees	—	—	(9,143)	(9,143)	—	—	(9,143)	
Program construction materials	31,047	—	—	31,047	—	—	31,047	
Miscellaneous program expenses	—	—	8,287	8,287	—	—	8,287	
Depreciation	357	536	1,558,661	1,559,554	143	36	1,559,733	
Amortization	—	—	8,677	8,677	—	—	8,677	
	\$ 257,764	\$ 921,170	\$ 3,644,835	\$ 4,823,769	\$ 367,169	\$ 78,849	\$ 5,269,787	

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years	
	Ended December 31,	
	2024	2023
Cash Flows From Operating Activities		
Decrease in net assets	\$ (2,189,355)	\$ (2,156,723)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,709,168	1,559,733
Amortization	8,677	8,677
Amortization of debt issuance costs	9,901	9,901
Increase in investment in projects	—	(70)
Changes in assets and liabilities:		
Due from related parties	(113,726)	26,738
Tenant and subsidy receivables	27,016	11,872
Developer fee receivables	(105,000)	—
Prepaid expenses	(9,782)	11,718
Accounts payable	266,517	(20,346)
Prepaid rent	6,565	2,830
Accrued interest	258,594	215,720
Accrued real estate taxes	31,235	(10,556)
Deferred revenues	1,975,424	(135,777)
Due to related parties	17,282	—
Tenant security deposits, net	1,161	3,983
Net Cash Provided By (Used In) Operating Activities	1,893,677	(472,300)
Cash Flows From Investing Activities		
Additions to property and equipment	(5,100)	(536,544)
Advances for pre-development costs, net	(403,913)	(364)
Net Cash Used In Investing Activities	(409,013)	(536,908)
Cash Flows From Financing Activities		
Principal payments of long-term debt	(56,070)	(2,029,622)
Proceeds of long-term debt	690,392	2,249,855
Construction costs paid	—	(25,976)
Net Cash Provided By Financing Activities	634,322	194,257
Net Increase (Decrease) In Cash And Restricted Cash	2,118,986	(814,951)
Cash And Restricted Cash, Beginning Of Year	939,529	1,754,480
Cash And Restricted Cash, End Of Year	\$ 3,058,515	\$ 939,529
Supplemental Disclosure Of Cash Flow Information:		
Cash paid for interest	\$ 136,571	\$ 434,293

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 And 2023

1. Organization And Nature Of Operations

Latin United Community Housing Association (LUCHA) (the Organization) is a nonprofit organization that was founded in 1982 to provide decent and affordable housing, housing services and education to low- and moderate-income residents. LUCHA fosters community stability in areas lacking adequate housing by empowering residents through education and participation and by providing them with technical assistance. LUCHA promotes affordable housing development by rehabilitating and managing housing, advocating for resources, investing in communities and by combating housing abandonment. LUCHA is dedicated to conserving, restoring and expanding the City of Chicago's multi and single-family housing stock in order to provide housing opportunities for lower income residents.

LUCHA typically funds housing redevelopment projects using Low-Income Housing Tax Credits (LIHTC) financing entities that are organized as Limited Partnerships. A different partnership is established for each project. LUCHA owns 100% of the stock of a corporation which is also established for each project to serve as the General Partner of the Limited Partnership. Through capital contributions, an unrelated entity becomes the Limited Partner and acquires substantially all of the ownership shares (typically 99.99%). As owner of the General Partner, LUCHA exercises control over and assumes significant responsibilities for the management and operation of each Limited Partnership.

The Projects qualified for and were allocated LIHTC pursuant to Internal Revenue Code (Section 42) which regulates the use of the Projects as to occupant eligibility and unit gross rents, among other requirements. Generally, the Projects must meet the provisions to those regulations during each of 15 consecutive years in order to remain qualified to receive the credits. In addition, the subsidiaries have executed an Extended Use Regulatory Agreement and declaration of restrictive covenants which required the continuing utilization of the Projects pursuant to Section 42 for a minimum number of years, even if the subsidiary disposes of the Project.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (*Continued*)

Effective October 1, 2024, Association House acquired control of LUCHA through an organizational restructuring, with certain conditions and obligations undertaken by Association House with respect to the continuation of the mission of LUCHA. As part of the governance transition, the bylaws were amended to name Association House as the Sole Member of LUCHA, there are to be five board of directors whom all shall be appointed by Association House, along with appointments of directors and officers. Legal and other transaction costs associated with the governance transition shall be allocated to Association House, whereas the assets and liabilities of LUCHA and its subsidiaries are unaffected by the governance transition.

LUCHA's subsidiaries, all of which have been consolidated, consist of the following:

Madres Unidas Limited Partnership

This entity was formed for the purpose of acquiring, constructing, holding, and operating a 36-unit apartment complex known as Madres Unidas, a project intended primarily for low- and moderate-income tenants in Chicago, Illinois. LUCHA owns a 100% interest in Madres Unidas Development Corporation, the sole General Partner with a 0.01% interest. On December 31, 2021, LUCHA acquired the 99.9% Limited Partner interest from the National Equity Fund. LUCHA managed and operated the complex until July 31, 2024.

HPR Preservation Limited Partnership

This entity owns and operates an apartment complex with 65 units, which is known as Humboldt Park Residences. Effective December 20, 2020, LUCHA owns a 79% interest in HPR GP, LLC, the General Partner in the entity. Center for Changing Lives owns the remaining 21% of HPR GP, LLC. The two unrelated entities collectively own a 0.010% General Partner interest, CREA Humboldt Park Residences, LLC owns the 99.989% Limited Partner interest and CREA SLP, LLC owns the 0.001% Special Limited Partner interest. The Partnership has received an allocation of LIHTC from the State of Illinois totaling \$3,815,110. Capital contributions from the Limited Partner totaled \$3,475,539 and capital contributions totaled \$100 from the General Partner. As of December 31, 2024 and 2023, \$521,316 in contributions remained receivable. LUCHA managed and operated the complex until July 31, 2024.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (*Continued*)

Tierra Linda Limited Partnership

This entity was formed for the purpose of acquiring, constructing, holding, and operating a 45-unit apartment complex known as Tierra Linda. The closing of the acquisition of the project by the Partnership from LUCHA occurred on June 22, 2017 and construction was finished by December 31, 2018. LUCHA owns a 100% interest in Tierra Linda, LLC, the Sole General Partner with a 0.01% interest. An affiliate of the National Equity Fund owns a 99.9% Limited Partner interest. The Partnership has received an allocation of LIHTC from the State of Illinois totaling \$10,000,000. Capital contributions from the Limited Partner totaled \$10,209,710 and capital contributions totaled \$1,630,100 from the General Partner, including a land donation that LUCHA received from the City of Chicago.

Borinquen Bella Limited Partnership

This entity was formed for the purpose of acquiring, constructing, holding, and operating Borinquen Bella. LUCHA owns a 100% interest in Borinquen Bella Development Corporation, the sole General Partner with a 0.01% interest. An affiliate of the National Equity Fund owns a 99.9% Limited Partner interest. The Partnership has received an allocation of LIHTC from the State of Illinois totaling \$8,500,010. The development was purchased subject to an existing loan from the Illinois Housing Development Authority's Trust fund totaling \$458,122 and The City of Chicago provided secondary financing in the amount of \$3,568,141.

Wholly Owned Subsidiaries

LUCHA's wholly owned subsidiaries include the following:

LUCHA Encuentro LLC

On May 26, 2023, a Limited Liability Company named LUCHA Encuentro LLC was established with LUCHA as its Sole Member. LUCHA Encuentro LLC is one of three Members of Encuentro Square I GP LLC, with a 35% Member interest and a \$35 capital contribution. Encuentro Square I GP LLC is the General Partner of Encuentro Square I LP, which owns and operates a 22-unit affordable housing development in Chicago, Illinois.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements *(Continued)*

LUCHA Encuentro II LLC

On May 30, 2023, a Limited Liability Company named LUCHA Encuentro II LLC was established with LUCHA as its Sole Member. LUCHA Encuentro II LLC is one of three Members of Encuentro Square II GP LLC, with a 35% Member interest and a \$35 capital contribution. Encuentro Square II GP LLC is the General Partner of Encuentro Square II LP, which owns and operates a 67-unit affordable housing development in Chicago, Illinois.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles in the United States (GAAP).

Principles Of Consolidation

Accounting principles generally accepted in the United States of America require that partnership accounts be consolidated for all Limited Partnerships which are deemed to be controlled by the Organization. The accompanying consolidated financial statements include the accounts of LUCHA and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Basis Of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity, and financial flexibility. As a result, the Organization is required to report information regarding its financial position and activities according to the following two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are those currently available for general purposes under the direction of the board, and those resources invested in property and equipment. Board designed net assets are those net assets that the Board of Directors has set aside for specific uses such as future operating reserves or facility needs. As these restrictions are initiated by the Organization and not by donors, these net assets are presented as net assets without donor restrictions.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (Continued)

Net assets with donor restrictions are those contributed with donor stipulations for specific purposes or programs, those with time restrictions, or those not currently available for use until commitments regarding their use have been fulfilled. The Organization has adopted an accounting policy to account for support that is restricted by the donor as an increase in net assets without donor restrictions if the restriction is alleviated in the same reporting period as receipt of the contribution.

Estimates And Assumptions

The Organization uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash, Cash Equivalents And Restricted Cash

For purposes of the statement of cash flows, the Organization and its subsidiaries consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2024 or 2023.

The Organization and its subsidiaries maintains its cash and restricted cash in numerous bank accounts, the balances at times may exceed federally insured limits. Losses have not been experienced in these accounts and management believes that it is not exposed to significant credit risk on cash.

The following is a reconciliation between cash and restricted cash reported within the consolidated statement of financial position and the total cash and restricted cash on the consolidated statement of cash flows as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 451,014	\$ 469,039
Tenant security deposits	111,815	119,194
Real estate tax and insurance escrows	100,327	102,452
Replacement reserves	106,093	114,800
Other reserves	2,009,981	9,981
Operating reserves	279,285	124,063
Total Cash And Restricted Cash	\$ 3,058,515	\$ 939,529

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (Continued)

Tenant And Other Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the status of individual receivables. Management has determined an accounts receivable allowance was not necessary for the years ended December 31, 2024 or 2023.

Property And Equipment

Land, buildings and improvements, and equipment and fixtures are recorded at cost, except for donated property which is recorded at fair market value at the date contributed. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

The Organization and its subsidiaries review their investments in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses have been recognized through December 31, 2024 and 2023.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful lives.

	Method	Estimated Useful Lives
Buildings and improvements	Straight-line	20 - 40 years
Furniture and equipment	Straight-line	3 - 7 years
Land improvements	Straight-line	15 years

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements *(Continued)*

Pre-development Project Costs

The Organization incurs costs in connection with properties it is considering for development as well as costs associated with properties in the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, and legal and accounting costs. Pre-development project costs are capitalized and recorded as pre-development project costs until such time as the Project is either abandoned or becomes an approved project with independent funding sources. Pre-development project costs are charged to operations at either the time a potential project is no longer considered feasible or the Project has incurred excess development costs which are absorbed by the Organization and charged to operations per terms of the related Partnership Agreement. Pre-development project costs related to projects that are ultimately developed are recorded as receivables.

Deferred Fees

Deferred financing and tax credit costs incurred by the subsidiaries are amortized over the terms of the related mortgage loans and tax credit allocation periods using the straight-line method which approximates the effective yield method.

Debt Issuance Costs

Debt issuance costs totaling \$263,246 are amortized over the terms of their respective mortgage loans using the straight-line method. Accumulated amortization totaled \$89,896 and \$79,995 at December 31, 2024 and 2023, respectively. Amortization expense amounted to \$9,901 during each year ended December 31, 2024 and 2023.

GAAP requires that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Revenue Recognition

Grants, gifts and Member contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities. Restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contribution is recognized.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (*Continued*)

Conditional promises to give are recognized as support when the conditions on which they depend are substantially met.

Support from grants and other Agreements that in substance constitute exchanges for services from the Organization or cost reimbursement contracts is recognized when earned.

Accounts receivable for grants and gifts are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible promises using the allowance method. However, no allowance was determined to be warranted at December 31, 2024 and 2023.

Rental income is recognized for housing rentals as it accrues. Advance receipts of rental income are deferred or classified as liabilities until earned. All leases between the Organization and its subsidiaries and tenants of real property are deemed to be operating leases. Bad debts are recognized using the allowance method.

Contributed Services

During the years ended December 31, 2024 and 2023, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Leases

The Organization's subsidiaries, as lessors, lease multifamily residential units, generally with a lease term of one year. While the leases typically include renewal options, the economic terms of the lease do not make it reasonably certain that a renewal option would be exercised. Under Accounting Standards Codification (ASC) Topic 842, *Leases*, the subsidiaries classify leases as operating leases and elect not to separate the lease component, comprised of monthly rents from tenants, from the associated non-lease components, comprised of fees related to utility costs. The subsidiaries account for the combined lease and non-lease components under ASC 842. Lease income for the years ended December 31, 2024 and 2023, totaled \$1,881,740 and \$1,773,362, respectively. Based on the remaining terms of the Lease Agreements, the subsidiaries expect to receive lease payments totaling \$485,208 during the year ending December 31, 2025.

The rental property is generally leased to tenants under one-year noncancelable operating leases. Rental revenue is recognized on a straight-line basis over the terms of the leases. Rental payments received in advance are deferred until earned.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements *(Continued)*

Functional Allocation Of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, miscellaneous, utilities, personnel costs, rentals, supplies and general, telephone and postage, which are allocated on the basis of estimates of time and effort.

Advertising Costs

Advertising costs are expensed when incurred.

Income Taxes

LUCHA applied for and has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 170(b)(1)(A)(vi). Accordingly, income taxes are not provided for in the financial statements.

The subsidiaries are not exempt from federal and state taxes, but net operating loss carry-forwards exist at December 31, 2024 and 2023. These arise from pass-throughs from the Limited Partnerships. A deferred tax credit is not recognized for financial reporting purposes because the ultimate benefit to be realized, if any, is not considered material. The Limited Partnerships are not taxpaying entities. All taxable income or loss passes through to, and is reportable by, the General and Limited Partners on their respective income tax returns.

The financial statement effects of a tax position taken or expected to be taken are recognized when it is more likely than not, based on technical merits, that the position will be sustained upon examination. As of December 31, 2024 and 2023, the Organization and its subsidiaries had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Non-Controlling Interests In Equity Of Partnerships

This amount represents the aggregate positive balance of equity interests held by other unrelated entities in the non-wholly owned Limited Partnerships that are included in the consolidation and reported as unrestricted net assets.

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements *(Continued)*

3. Liquidity And Availability Of Financial Assets

As of December 31, 2024 and 2023, the Organization and its' subsidiaries' financial assets available for general expenditures within one year of the consolidated statement of financial position date are as follows:

	2024			2023
	LUCHA	LUCHA Subsidiaries	Consolidated Total	Consolidated Total
Financial Assets At Year End				
Cash and restricted cash	\$ 2,170,653	\$ 887,862	\$ 3,058,515	\$ 939,529
Accounts receivable	125,201	—	125,201	11,475
Tenant accounts receivable, net	—	235,599	235,599	262,615
Total Financial Assets At Year End	2,295,854	1,123,461	3,419,315	1,213,619
Less Amounts Not Available To Be Used Within One Year				
Net assets with contractual obligations	2,000,000	607,501	2,607,501	470,490
Financial Assets Available To Meet Cash Needs For General Expenditures Within One Year				
	\$ 295,854	\$ 515,960	\$ 811,814	\$ 743,129

The Organization regularly monitors liquidity required to meet its operating needs. These funds are reviewed on a quarterly basis in light of anticipated and planned for capital and other needs; and are invested in short-term, easily accessible, government-insured investments to ensure adequate liquidity to meet assessed needs.

4. Tenant Security Deposits

IHDA regulations require that security deposits be deposited into separate interest-bearing accounts in the name of the respective owning entity.

5. Escrow Deposits And Restricted Reserves

According to the various Organizational, Loan, and Regulatory Agreements, certain subsidiaries are required to maintain specified escrow deposits and reserves. As of December 31, 2024 and 2023, the subsidiaries are in compliance with the various escrow and reserve requirements.

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements *(Continued)*

6. Pre-development Project Costs

As of December 31, 2024 and 2023, the Organization has incurred costs for the following developments which are currently under development:

Pre-development Project Costs	Balance January 1, 2024	Advances	Adjustments/ Repayments	Balance December 31, 2024
New office	\$ 61,645	\$ 8,714	\$ —	\$ 70,359
HP Methodist	219,609	395,199	—	614,808
Totals	\$ 281,254	\$ 403,913	\$ —	\$ 685,167

Pre-development Project Costs	Balance January 1, 2023	Advances	Adjustments/ Repayments	Balance December 31, 2023
New office	\$ 38,791	\$ 22,854	\$ —	\$ 61,645
HP Methodist	132,834	82,456	(4,319)	219,609
Encuentro Square	109,265	—	109,265	—
Totals	\$ 280,890	\$ 105,310	\$ 104,946	\$ 281,254

7. Deferred Fees

The costs incurred to obtain tax credit fees have been capitalized and are being amortized as described below:

	Amortization Period	2024	2023
Tax credit fees	10 years	\$ 132,927	\$ 132,927
Less: Accumulated amortization		(92,819)	(84,142)
Deferred fees, net		\$ 40,108	\$ 48,785

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

Amortization expense for each of the years ended December 31, 2024 and 2023 was \$8,677. Estimated amortization expense for each of the ensuing five years and thereafter, is as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 8,677
2026	8,677
2027	8,677
2028	7,094
2029	2,327
Thereafter	4,656
<u>Total</u>	<u>\$ 40,108</u>

8. Notes Receivable

LUCHA has notes receivable from the subsidiaries which have been eliminated from the consolidated financial statements as they represent amounts due to LUCHA. During 2023, LUCHA established valuation allowances for Encuentro Square I LP and Encuentro Square II LP notes payable in the amounts of \$938,400 and \$2,741,600, respectively, due to the priority of the notes and the uncertainty of future cash flows. During 2022, LUCHA established a valuation allowance for HPR Preservation Limited Partnership's notes payable in the amount of \$2,850,000, due to the priority of the note and the uncertainty of future cash flows.

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

The notes receivable are summarized below as of December 31:

	<u>2024</u>	<u>2023</u>
<u>Madres Unidas Limited Partnership</u>		
The Sponsor Promissory Note is held by the Latin United Community Housing Association in the original amount of \$216,000. The note bears interest compounding at 3% per annum, and the loan matures on October 1, 2035, on which date the entire balance of principal and unpaid interest is due. During 2024 and 2023, interest expense incurred was \$11,201 and \$10,875, respectively. During 2024 and 2023, no interest was paid. As of December 31, 2024 and 2023, accrued interest totaled \$168,500 and \$157,379, respectively, and is included in other long-term liabilities - accrued interest on the statement of financial position. The note is collateralized by real estate held for lease and is subordinate to all other secured financing.	\$ 216,000	\$ 216,000
<u>HPR Preservation Limited Partnership</u>		
The Promissory note (Seller Note), dated December 1, 2020, is held by Latin United Community Housing Association (LUCHA) in the original amount of \$292,309, of which the entire principal balance has been drawn upon. The note bears interest at 1.31% per annum compounding annually. No payments of principal or interest are due until the note matures on December 31, 2052, at which time a balloon payment of principal and interest shall be paid. Payments on the note are to be made from cash flow as defined in the Partnership Agreement. For the years ended December 31, 2024 and 2023, accrued interest was \$15,952 and \$11,966, respectively. The note is collateralized by real estate and an assignment of rents and leases.	292,309	292,309
<u>Tierra Linda Limited Partnership</u>		
The sponsor note, dated June 22, 2017, is held by Latin Community Housing Association (LUCHA) in the original amount of \$616,549, of which \$210,549 was received by LUCHA through ComEd Energy Efficiency Program. The note bears interest at 8% per annum, compounding annually. No payments of principal and interest are due until maturity which is June 30, 2047. As of December 31, 2024 and 2023, interest payable was \$457,077 and \$377,549, respectively. The note is collateralized by real estate held for lease and an assignment of rents and leases.	616,549	616,549
Total notes receivable	\$ 1,124,858	\$ 1,124,858

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

9. Mortgage Notes Payable

Mortgage notes payable consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
<u>Latin United Community Housing Association</u>		
Mortgage note payable by LUCHA to PNC Bank, due in monthly installments of \$1,128 including interest at an annual rate of 5.208%. Maturity date was May 14, 2024 and has been extended to June 14, 2029. A first mortgage on the building at 3541 W. North Avenue in Chicago in which LUCHA presently conducts its operations is pledged as collateral.	\$ 54,837	\$ 63,331
Mortgage note payable by LUCHA to IFF that permits maximum borrowings of \$1,000,000, monthly interest only payments at an annual rate of 5.625% are charged to the loan balance due May 20, 2022. In prior years, the maturity date was extended until June 1, 2023 and again until June 1, 2024. The maturity date for \$755,000 of the total borrowings has been extended until July 1, 2040. A first mortgage on the building at 4054 W. North Avenue in Chicago in which LUCHA intends to conduct future operations, as well as a second mortgage on the building at 3541 W. North Avenue, are pledged as collateral.	1,000,000	989,138
Loan payable by LUCHA to Northwest Community Credit Union (NCCU) in the original amount of \$125,000, with additional borrowings allowed. The loan bears interest at an annual rate of 5.05%. Payments are due on demand.	128,608	—
Pre-development loan payable by LUCHA to Enterprise Community Partners, Inc., in the original amount of \$250,000. The loan is non-interest bearing. Maturity date was January 6, 2025 and has been extended to April 30, 2025. Principal will be due at the earlier of loan maturity or closing of the project take-out financing.	140,064	140,064
Pre-development loan payable by LUCHA to Community Ventures 2011, LLC, in the original amount of \$200,000. The loan is non-interest bearing and matures on March 1, 2025, at which time all unpaid principal shall be due.	200,000	200,000
Pre-development loan payable by LUCHA to IFF, in the original amount of \$562,000, of which \$550,921 has been drawn upon. The loan bears interest at a rate of 7.25%. Maturity date was July 1, 2025 and has been extended to February 1, 2026. Principal will be due at the earlier of loan maturity or closing of the project take-out financing.	550,921	—
Balance Carried Forward	2,074,430	1,392,533

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

	2024	2023
Balance Brought Forward	\$ 2,074,430	\$ 1,392,533
<u>Madres Unidas Limited Partnership</u>		
The first mortgage, dated February 21, 2007, is held by Harris Bank, NA in an original amount not to exceed \$583,201. The note bears interest at a rate of 2.5% above the Term Loan Index, not to exceed 8.75%. The Term Loan Index rate is defined as the thirty (30) year Daily Treasury Yield Curve Rate published in the Federal Reserve Statistical Release H-15. Monthly payments of principal and interest totaling \$3,975 are due until the maturity date of August 22, 2027. The note is collateralized by real estate held for lease and an assignment of rents and leases.	393,077	411,540
The second mortgage note, dated August 22, 2005, is held by the City of Chicago in the original amount of \$3,303,690. The note is non-interest bearing, and matures on August 22, 2035. The entire balance is due at maturity. The note is collateralized by real estate held for lease and an assignment of rents and leases.	3,289,920	3,289,920
The third mortgage note, dated August 22, 2005, is held by IHDA in the original amount of \$750,000. The note is non-interest bearing, and matures on December 1, 2026. Monthly installment of principal is required upon the end of the construction and leasing period, which occurred on May 1, 2007, in the amount of \$333. The note is collateralized by real estate held for lease and an assignment of rents and leases.	677,334	681,001
The fourth mortgage note, dated August 22, 2005, is held by the Chicago Low-Income Housing Trust Fund in the original amount of \$271,799. The note is non-interest bearing and matures on August 22, 2035. The entire balance is due at maturity. The note is collateralized by real estate held for lease and an assignment of rents and leases.	243,161	243,161
<u>HPR Preservation Limited Partnership</u>		
The first mortgage (City of Chicago note), dated December 1, 2020, is held by the City of Chicago, in the original amount of \$1,641,035, of which the entire principal balance has been drawn. The note bears interest at 1.31% per annum compounding annually. Monthly principal payments of \$375 are to be made. Any unpaid balance is due at maturity on December 1, 2052. For the years ended December 31, 2024 and 2023, interest incurred was \$21,294 and \$21,353, respectively. At December 31, 2024 and 2023, accrued interest was \$85,529 and \$64,235, respectively. The note is collateralized by real estate held for lease and an assignment of rents and leases.	1,623,035	1,627,535
Balance Carried Forward	8,300,957	7,645,690

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

	2024	2023
Balance Brought Forward	\$ 8,300,957	\$ 7,645,690
<p>The construction mortgage dated, December 1, 2020, was held by BMO Harris Bank N.A., for the maximum amount of \$7,000,000, of which \$5,022,868 was drawn as of December 31, 2021. During 2022, an additional \$1,977,132 had been drawn. The note bears interest at a synthetically fixed rate at 80% of the sum of one month LIBOR plus 240 base points. The average interest rate charged as of December 31, 2022 was 3.37%. Interest only payments were due until maturity, which was December 1, 2022, at which time all outstanding principal and unpaid interest was due. In December 2022, the initial maturity date was extended to December 21, 2023. The note shall be prepaid without penalty. During 2022, \$5,136,489 was repaid from Limited Partner's capital contributions and proceeds of TIF Funds. During 2023, the remaining loan balance was repaid from proceeds of the third mortgage note and TIF funds. The note was collateralized by real estate held for lease and an assignment for rents and leases.</p>	—	—
<p>The second mortgage (IHDA note), dated December 1, 2020, is held by IHDA under the Trust Fund Program in the original amount of \$446,656, of which the entire principal balance has been drawn. The note is non-interest-bearing. Payments on the note are to be made from cash flow as defined in the Partnership Agreement. Any unpaid balance is due at maturity on December 20, 2052. The note is collateralized by real estate held for lease and an assignment of rents and leases.</p>	446,656	446,656
<p>The third mortgage (City of Chicago Home Fund), dated December 1, 2020, is held by the City of Chicago, in the original amount of \$4,350,000, of which \$4,180,282 and \$3,240,794 has been drawn as of December 31, 2023 and 2022, respectively. The original mortgage amount has been adjusted down by \$169,718. The note is non-interest-bearing. The note was funded from HOME Investment Partnership Program (HOME) funds and is subject to recapture in the event of noncompliance with the HOME program requirements. Any unpaid balance is due at maturity on December 1, 2052. The note is collateralized by real estate held for lease and an assignment of rents and leases.</p>	4,180,282	4,180,282
Balance Carried Forward	12,927,895	12,272,628

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

	<u>2024</u>	<u>2023</u>
Balance Brought Forward	\$ 12,927,895	\$ 12,272,628
 The Promissory note (TIF Funds), dated December 1, 2020, is held by LUCHA in the original amount of \$3,800,000. The note is non-interest-bearing. No payments of principal or interest are due until the note matures on December 31, 2052, at which time a balloon payment of principal and interest shall be paid. Payments on the note are to be made from cash flow as defined in the Partnership Agreement. The note is collateralized by real estate and an assignment of rents and leases.	 3,800,000	 3,800,000
<u>Tierra Linda Limited Partnership</u>		
 The promissory note, dated June 22, 2017, is held by IFF in the original amount of \$1,000,000 (of which \$963,937 has been drawn as of December 31, 2020). The note bore interest at 5.38% per annum through the conversion date, after which the interest is 5.95% per annum. Interest was payable monthly in arrears and continued through June 22, 2019, subject to extension. During 2020, the note was converted to a term loan. Monthly payments of principal and interest of \$5,489 commenced on June 1, 2020 and continue through February 1, 2037, the maturity date, at which time all remaining principal and unpaid interest is due. The note is collateralized by real estate held for lease and an assignment of rents and leases.	 922,291	 932,937
 The mortgage note, dated June 22, 2017, is held by the City of Chicago in the original amount of \$5,000,000 (of which \$4,619,621 has been drawn). The note bears interest at 1.5% per annum. No payments of interest or principal are required until maturity which is June 22, 2049, at which time any unpaid principal and accrued interest are due. As of December 31, 2024 and 2023, interest payable was \$453,783 and \$384,489, respectively, and is included in other long-term liabilities - accrued interest on the statement of financial position. The note is collateralized by real estate held for lease and an assignment of rents and leases.	 4,619,621	 4,619,621
<u>Borinquen Bella Limited Partnership</u>		
 Mortgage note payable to the Illinois Housing Development Authority is non-interest bearing. The note is payable in monthly principal payments of \$1,000 to maturity, which is April 1, 2044. A second mortgage on the building is pledged as collateral.	 375,122	 385,121
Balance Carried Forward	22,644,929	22,010,307

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

	<u>2024</u>	<u>2023</u>
Balance Brought Forward	\$ 22,644,929	\$ 22,010,307
Second mortgage loan is payable to the City of Chicago, Illinois. The note bears interest at 3% per annum on principal only and matures on April 19, 2044. The note is due in annual installments equaling 50% of the Project's surplus cash commencing on April 19, 2013 and the balance is due at maturity. At December 31, 2024 and 2023, accrued interest amounted to \$1,323,242 and \$1,211,563, respectively, and is included in other long-term liabilities - accrued interest on the statement of financial position. The note is collateralized by an assignment of rents and leases.	3,722,620	3,722,620
	26,367,549	25,732,927
Less: Current portion	(766,191)	(1,102,078)
Net long-term portion	\$ 25,601,358	\$ 24,630,849

Aggregate maturities of long-term debt for the ensuing five years and thereafter, are as follows:

<u>Year</u>	<u>Total</u>
2025	\$ 766,191
2026	723,156
2027	381,117
2028	29,999
2029	30,824
Thereafter	24,436,262
Total	\$ 26,367,549

Line Of Credit

On October 10, 2023, the Organization renewed a line of credit with PNC Bank that permits maximum borrowings of \$100,000 at a variable interest rate at the prime rate. Interest-only payments are due monthly until March 14, 2025. As of December 31, 2024 and 2023, the line of credit balance was \$99,700 and \$100,000, respectively.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (*Continued*)

10. Related Party Transactions

Developer Fees

According to the Development Agreements, LUCHA is entitled to developer fees for various subsidiaries. During each of the years ended December 31, 2024 and 2023, developer fees earned and received were \$262,500. As of December 31, 2024, developer fees receivable were \$507,091, of which \$402,091 and \$105,000 are receivable from HPR Preservation Limited Partnership and Encuentro Square I LP, respectively. As of December 31, 2023, developer fees receivable were \$446,751, of which \$402,091 and \$44,660 were receivable from HPR Preservation Limited Partnership and Tierra Linda Limited Partnership, respectively. Developer fees receivable from HPR Preservation Limited Partnership and Tierra Linda Limited Partnership have been eliminated in the consolidation of the financial statements.

Partnership Management Fees

LUCHA is entitled to partnership management fees from Madres Unidas Limited Partnership, Tierra Linda Limited Partnership and Borinquen Bella Limited Partnership. During the years ended December 31, 2024 and 2023, partnership management fees earned and eliminated in consolidation totaled \$57,893 and \$56,207, respectively.

Property Management Fees

According to the Management Agreements, Madres Unidas Limited Partnership and HPR Preservation Limited Partnership are managed by LUCHA. Property management fees earned and eliminated in consolidation during the years ended 2024 and 2023, totaled \$33,230 and \$69,507, respectively.

Asset Management Fees

According to the Partnership Agreement, HPR Preservation Limited Partnership shall pay CREA, LLC, an affiliate of the Limited Partner an annual asset management fee of \$5,000, increasing by 2% annually. The fee is payable from available cash flow as defined in the Partnership Agreement. During 2024 and 2023, asset management fees incurred amounted to \$5,306 and \$5,202, respectively. During 2024, no asset management fees were paid and during 2023, asset management fees paid were \$5,202. As of December 31, 2024, asset management fees payable were \$5,306 and there were no asset management fees payable as of December 31, 2023.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (*Continued*)

According to the Partnership Agreement, Tierra Linda Limited Partnership shall pay NEF Community Investments, Inc., an affiliate of the Limited Partner, an annual asset management fee of \$3,600, increasing by 3% annually. The fee is for annual review, tax credit compliance monitoring and related services. The fee is payable from available cash flow as defined in the Partnership Agreement. During the years ended December 31, 2024 and 2023, asset management fees incurred were \$4,299 and \$4,174, respectively. During 2024 and 2023, asset management fees paid were \$4,174 and \$4,052, respectively. As of December 31, 2024 and 2023, accrued asset management fees were \$4,299 and \$4,174, respectively.

According to the Partnership Agreement, Borinquen Bella Limited Partnership shall pay an annual asset management fee to NEF Community Investment, Inc., an affiliate of the Limited Partner, in the original amount of \$4,700, increasing by 3% per annum. In the event that available net cash flow is insufficient to pay the asset management fee in any year, the unpaid amount shall accrue and shall be payable from net cash flow available in future years. During the years ended December 31, 2024 and 2023, asset management fees incurred were \$6,506 and \$6,316, respectively. As of December 31, 2024 and 2023, asset management fees payable were \$41,750 and \$35,244, respectively, and are included in accounts payable on the consolidated statement of financial position.

11. Property Management Agreements

Tierra Linda Limited Partnership entered into a Property Management Agreement with Affordable Property Management Specialists, an unrelated party. The property management fee is equal to 6% of gross collections. The Property Management Agreement expired on September 30, 2024 and is in the process of being renewed. During the years ended December 31, 2024 and 2023, property management fees incurred were \$31,582 and \$32,406, respectively. During the years ended December 31, 2024 and 2023, property management fees paid were \$32,022 and \$31,808, respectively. As of December 31, 2024 and 2023, property management fees payable were \$2,639 and \$3,079, respectively.

Borinquen Bella Limited Partnership entered into a Property Management Agreement with Affordable Property Management Specialists, an unrelated party. The property management fee is equal to 6% of gross collections. During the years ended December 31, 2024 and 2023, property management fees incurred and paid were \$26,776 and \$31,006, respectively.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements *(Continued)*

Commencing on August 1, 2024, HPR Preservation Limited Partnership entered into a Property Management Agreement with Affordable Property Management Specialists, an unrelated party. The property management fee is equal to 7% of gross collections. During 2024, property management fees incurred and paid to the Management Company were \$9,530 and \$7,312, respectively. As of December 31, 2024, property management fees payable to the Management Company were \$2,218 and are included in accounts payable.

Commencing on August 1, 2024, Madres Unidas Limited Partnership entered into a Management Agreement with Affordable Property Management Specialist, an unrelated party. The property management fee is equal to 6% of monthly gross collections commencing on August 1, 2024, through July 31, 2026. During the period August 1, 2024, through December 31, 2024, management fees incurred and paid amounts to \$7,081 and \$5,938, respectively. As of December 31, 2024, property management fees payable to the Management Company were \$12,130 and are included in accounts payable.

12. Capital Bill Preservation Program: Limited Rehab Grant

On July 22, 2022, the Madres Unidas Limited Partnership was approved for the Capital Bill Preservation Program: Limited Rehab Grant (Grant) in the maximum amount of \$390,222. The funds are to be used for the completion of capital improvements, limited rehab and other work on the Project, to preserve the long-term stability of affordable rental housing for the benefit of very low- or low-income households. The term of the Grant Agreement shall commence on the closing date (2023) and terminate two years from such date. During 2023, grant proceeds received and used for capital improvements were \$359,498 and are included in miscellaneous income on the consolidated statement of activities and changes in net assets. The Grant funds are subject to recapture in the event of default by any non-compliance with the program requirements subject to the recapture rules mentioned in the Grant Agreement.

13. Housing Assistance Payment Contract Agreement

HPR Preservation Limited Partnership was assigned a HAP contract with the Chicago Housing Authority. This contract originally was assigned on November 22, 2018 and expires on October 31, 2048. During the years ended December 31, 2024 and 2023 HAP payments received amounted to \$423,406 and \$243,207, respectively.

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

Tierra Linda Limited Partnership entered into a HAP contract with the Chicago Housing Authority. This contract was entered into on May 31, 2018 and expires on May 31, 2048. During the years ended December 31, 2024 and 2023, HAP payments received amounted to \$229,694 and \$220,600, respectively.

14. Illinois Department Of Commerce And Economic Opportunity (DCEO) Grant

On October 14, 2024, LUCHA entered into a Grant Agreement with DCEO in the amount of \$2,000,000. The proceeds are to be used for the acquisition of the Humboldt Park United Methodist Church located at 2120 N. Mozart Chicago Illinois.

15. Restrictions On Net Assets

Certain grants awarded to the Organization by governmental and not for profit agencies stipulate that the proceeds are to be used for the payment of specific program expenses during the period of the grant. As the specified expenses are incurred, the amount is reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Net assets of \$2,000,000 have been restricted by donor as of December 31, 2024. No net assets are restricted per donor as of December 31, 2023.

16. Retirement Plan

The employees of LUCHA participate in a defined contribution retirement plan. LUCHA's contributions are equal to 57% of the annual contribution of participating employees. During the years ended December 31, 2024 and 2023, LUCHA's contribution to the plan totaled \$11,452 and \$32,328, respectively.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

Notes To Financial Statements (Continued)

17. Commitments And Guarantees

The Organization has guaranteed certain subsidiaries' operating deficits should they occur during the period ending on December 31st of the year, as defined in the Partnership Agreements, of the achievement of the later of final closing or breakeven operations occurs, after exhaustion of such reserve specified in the Partnership Agreement for a specified term. Operating deficit loans shall be subordinate to the mortgage notes payable and are repayable pursuant to the terms of the Partnership Agreement. As of December 31, 2024 and 2023, no funds were advanced under this provision.

The following table indicates the entities and the maximum guaranteed operating deficits:

	<u>Guarantee</u>	<u>Expiration Date</u>
HPR Preservation Limited Partnership	\$ <u>239,000</u>	December 31, 2025

In addition, the Organization has a general obligation to fund any operating liabilities of the Limited Partnerships that are outstanding since the Organization owns 100% of the General Partner interests. The Organization does not currently estimate any funding will be required.

18. Uncertainties And Contingencies

The Subsidiaries' LIHTC are contingent on their ability to maintain compliance with applicable provisions of the Internal Revenue Code. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of noncompliance within a reasonable time period could result in recapture of previously claimed tax credits plus interest. In addition, any such noncompliance, if it were to occur, likely would result in an adjustment to the capital contributed by the Limited Partners.

19. Subsequent Events

Management evaluates subsequent events through the date of the Independent Auditors' Report, which is the date the consolidated financial statements are available for issue.

**LATIN UNITED COMMUNITY HOUSING ASSOCIATION
AND SUBSIDIARIES**

Notes To Financial Statements (*Continued*)

On January 3, 2025, LUCHA sold property located at 4054 W. North Ave. and 1615 N. Karlov Ave. in the amount of \$605,000, of which \$450,000 was used to pay down a portion of the IFF loan.

On May 15, 2025, the NCCU loan was repaid in full.

On May 16, 2025, LUCHA was awarded \$150,000, over a two-year period, under the IHDA Housing Counseling Resource Program (HCRP), to be used in capacity-building activities to expand the organizational reach and service to low- to moderate- income and underrepresented homebuyers and existing homeowners.

On July 11, 2025, LUCHA sold property located at 3541 W. North Ave. in the amount of \$550,000, of which \$335,000 was used to pay down a portion of the IFF loan, \$100,385 was used to pay off the PNC line of credit and related interest and \$50,461 was used to pay off the PNC loan.

From January 1, 2025, through July 28, 2025, LUCHA received Employee Retention Credit (ERC) funds in the amount of \$515,550.

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2024

Assets							
	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Current Assets							
Cash	\$ 170,653	\$ 4,145	\$ 33,144	\$ 238,489	\$ 4,583	\$ —	\$ 451,014
Accounts receivable	125,201	—	—	—	—	—	125,201
Tenant accounts receivable, net	—	44,099	112,381	18,782	60,337	—	235,599
Developer fees receivable	507,091	—	—	—	—	(402,091)	105,000
Due from related parties	2,057,102	—	—	10,755	—	(2,067,857)	—
Prepaid expenses	14,190	—	4,890	—	9,961	—	29,041
Total Current Assets	2,874,237	48,244	150,415	268,026	74,881	(2,469,948)	945,855
Restricted Cash							
Real estate tax and insurance escrows	—	—	—	91,750	8,577	—	100,327
Replacement reserves	—	3,992	—	82,503	19,598	—	106,093
Operating reserves	—	155,237	—	110,954	13,094	—	279,285
Tenant security deposits	—	22,602	25,490	32,968	30,755	—	111,815
Other reserves	2,000,000	—	—	9,981	—	—	2,009,981
Total Restricted Cash	2,000,000	181,831	25,490	328,156	72,024	—	2,607,501
Property And Equipment							
Land	194,000	441,255	666,000	2,543,708	743,628	—	4,588,591
Buildings and improvements	1,127,610	6,508,601	9,653,714	14,710,220	10,626,034	—	42,626,179
Furniture and equipment	130,752	113,715	2,527,943	133,631	185,006	—	3,091,047
Land improvements	—	640,807	179,459	666,165	12,621	—	1,499,052
Total Property And Equipment	1,452,362	7,704,378	13,027,116	18,053,724	11,567,289	—	51,804,869
Less: Accumulated depreciation	(568,547)	(4,879,287)	(1,414,626)	(3,752,023)	(4,548,008)	—	(15,162,491)
Net Property And Equipment	883,815	2,825,091	11,612,490	14,301,701	7,019,281	—	36,642,378
Other Assets							
Loans receivable	4,820,810	—	—	—	—	(1,140,810)	3,680,000
Loan allowance	(3,680,000)	—	—	—	—	—	(3,680,000)
Investments in partnerships	(1,046,771)	—	—	—	—	1,046,841	70
Predevelopment costs	685,167	—	—	—	—	—	685,167
Deferred fees, net	—	—	16,291	23,817	—	—	40,108
Total Other Assets	779,206	—	16,291	23,817	—	(93,969)	725,345
Total Assets	\$ 6,537,258	\$ 3,055,166	\$ 11,804,686	\$ 14,921,700	\$ 7,166,186	\$ (2,563,917)	\$ 40,921,079

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (Continued)

December 31, 2024

Liabilities And Net Assets

	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Current Liabilities							
Current portion of long-term debt	\$ 714,547	\$ 23,847	\$ 4,500	\$ 11,297	\$ 12,000	\$ —	\$ 766,191
Accounts payable	335,716	9,231	17,334	11,609	103,487	(15,508)	461,869
Prepaid rent	—	2,223	3,873	6,938	3,635	—	16,669
Accrued interest	56,381	—	101,481	4,573	—	(15,952)	146,483
Accrued real estate taxes	68,401	42,800	31,184	61,122	35,400	—	238,907
Deferred revenue	68,147	—	—	—	—	—	68,147
Due to related parties	—	665,110	983,859	11,593	138,125	(1,781,405)	17,282
Tenant security deposits	2,475	22,519	20,956	27,818	31,882	—	105,650
Line of credit	99,700	—	—	—	—	—	99,700
Total Current Liabilities	1,345,367	765,730	1,163,187	134,950	324,529	(1,812,865)	1,920,898
Long-Term Liabilities							
Long-term debt, net of current portion	1,359,883	4,795,645	10,337,782	6,147,164	4,085,742	(1,124,858)	25,601,358
Less: Debt issuance costs	—	—	(154,186)	(17,500)	(1,665)	—	(173,351)
Other long-term liabilities - accrued interest	—	168,580	—	910,860	1,323,242	(625,657)	1,777,025
Total Long-Term Liabilities	1,359,883	4,964,225	10,183,596	7,040,524	5,407,319	(1,750,515)	27,205,032
Total Liabilities	2,705,250	5,729,955	11,346,783	7,175,474	5,731,848	(3,563,380)	29,125,930
Net Assets							
Without donor restrictions							
Controlling interests	1,832,008	(2,674,789)	(144)	1,628,574	(481)	999,463	1,784,631
Non-controlling interests	—	—	458,047	6,117,652	1,434,819	—	8,010,518
With donor restrictions							
Temporarily restricted	2,000,000	—	—	—	—	—	2,000,000
Total Net Assets	3,832,008	(2,674,789)	457,903	7,746,226	1,434,338	999,463	11,795,149
Total Liabilities And Net Assets	\$ 6,537,258	\$ 3,055,166	\$ 11,804,686	\$ 14,921,700	\$ 7,166,186	\$ (2,563,917)	\$ 40,921,079

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended December 31, 2024

	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Support							
City of Chicago, Department of Planning and Development	\$ 436,450	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 436,450
Freddie Mac	—	—	—	—	—	—	—
Foundations, companies and individuals	109,634	—	—	—	—	—	109,634
Total Support	546,084	—	—	—	—	—	546,084
Revenue							
Net rental revenue	34,238	318,427	492,026	532,083	504,966	—	1,881,740
Development fees	262,500	—	—	—	—	—	262,500
Partnership management fees	57,893	—	—	—	—	(57,893)	—
Property management fees	33,230	—	—	—	—	(33,230)	—
Property reimbursable fees	214,095	—	—	—	—	(214,095)	—
Interest income	94,715	10,509	—	4	3	(94,715)	10,516
Miscellaneous income	87,944	168,744	1,128	3,001	30,338	—	291,155
Total Revenue	784,615	497,680	493,154	535,088	535,307	(399,933)	2,445,911
Total Support And Revenue	1,330,699	497,680	493,154	535,088	535,307	(399,933)	2,991,995

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)
For The Year Ended December 31, 2024

	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Expenses							
Office expenses	\$ 16,983	\$ 12,760	\$ 122,149	\$ 3,194	\$ 42,317	\$ (47,207)	\$ 150,196
Advertising	—	—	16,706	—	—	—	16,706
Utilities expense	12,664	36,209	71,466	39,560	72,701	—	232,600
Professional fees	103,542	13,500	29,628	29,586	28,305	—	204,561
Telephone and technology	36,564	—	24,064	3,460	—	—	64,088
Insurance expense	46,599	60,516	41,654	56,666	42,206	—	247,641
Real estate taxes	18,928	45,132	28,078	66,218	—	—	158,356
Bad debts	—	93,818	—	12,208	26,867	—	132,893
Licenses, permits and dues	2,237	593	205	—	—	—	3,035
Repairs and maintenance	169	90,719	38,209	105,403	78,359	(161)	312,698
Salaries and benefits	922,234	134,290	157,835	138,228	119,944	(201,532)	1,270,999
Mortgage interest	108,497	40,432	31,588	207,492	111,772	(94,715)	405,066
Miscellaneous operating expenses	42,112	—	—	—	—	47,378	89,490
Property management fees	—	16,390	31,370	35,881	28,349	(33,230)	78,760
Partnership management fees	—	29,792	5,306	11,593	27,270	(57,893)	16,068
Program construction materials	57,112	—	—	—	—	—	57,112
Miscellaneous program expenses	23,236	—	—	—	—	—	23,236
Depreciation	34,225	236,794	503,110	579,328	355,711	—	1,709,168
Amortization	—	—	2,327	6,350	—	—	8,677
Total Expenses	1,425,102	810,945	1,103,695	1,295,167	933,801	(387,360)	5,181,350
Other (Income) Expense							
Income from investments in partnerships	313,442	—	—	—	—	(313,442)	—
Total Expenses And Other Expenses	1,738,544	810,945	1,103,695	1,295,167	933,801	(700,802)	5,181,350
Increase (Decrease) In Unrestricted Net Assets	(407,845)	(313,265)	(610,541)	(760,079)	(398,494)	300,869	(2,189,355)
Net Assets At Beginning Of Year	2,239,853	(2,361,524)	1,068,444	8,506,305	1,832,832	698,594	11,984,504
Net Assets Temporarily Restricted	2,000,000	—	—	—	—	—	2,000,000
Net Assets At End Of Year	\$ 3,832,008	\$ (2,674,789)	\$ 457,903	\$ 7,746,226	\$ 1,434,338	\$ 999,463	\$ 11,795,149

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2023

Assets							
	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Current Assets							
Cash	\$ 30,725	\$ 46,957	\$ 66,669	\$ 321,964	\$ 2,724	\$ —	\$ 469,039
Accounts receivable	11,475	—	—	—	—	—	11,475
Tenant accounts receivable	—	90,711	125,887	23,777	22,240	—	262,615
Developer fees receivable	402,091	—	—	—	—	(402,091)	—
Due from related parties	1,820,230	—	499	3,597	—	(1,824,326)	—
Prepaid expenses	9,464	—	808	—	8,987	—	19,259
Total Current Assets	2,273,985	137,668	193,863	349,338	33,951	(2,226,417)	762,388
Restricted Cash							
Real estate tax and insurance escrows	—	2,110	—	91,750	8,592	—	102,452
Replacement reserves	—	28,895	—	66,291	19,614	—	114,800
Operating reserves	—	—	—	110,954	13,109	—	124,063
Tenant security deposits	—	29,306	24,372	32,965	32,551	—	119,194
Other reserves	—	—	—	9,981	—	—	9,981
Total Restricted Cash	—	60,311	24,372	311,941	73,866	—	470,490
Property And Equipment							
Land	194,000	441,255	666,000	2,543,708	743,628	—	4,588,591
Buildings and improvements	1,127,610	6,508,601	9,653,714	14,710,220	10,626,035	—	42,626,180
Furniture and equipment	130,752	113,715	2,527,943	133,631	179,906	—	3,085,947
Land improvements	—	640,807	179,459	666,165	12,621	—	1,499,052
Total Property And Equipment	1,452,362	7,704,378	13,027,116	18,053,724	11,562,190	—	51,799,770
Less: Accumulated depreciation	(534,322)	(4,642,493)	(911,516)	(3,172,695)	(4,192,297)	—	(13,453,323)
Net Property And Equipment	918,040	3,061,885	12,115,600	14,881,029	7,369,893	—	38,346,447
Other Assets							
Loans receivable	4,816,824	—	—	—	—	(1,136,824)	3,680,000
Loan allowance	(3,680,000)	—	—	—	—	—	(3,680,000)
Investments in projects	(733,329)	—	—	—	—	733,399	70
Predevelopment costs	281,254	—	—	—	—	—	281,254
Deferred fees, net	—	—	18,618	30,167	—	—	48,785
Total Other Assets	684,749	—	18,618	30,167	—	(403,425)	330,109
Total Assets	\$ 3,876,774	\$ 3,259,864	\$ 12,352,453	\$ 15,572,475	\$ 7,477,710	\$ (2,629,842)	\$ 39,909,434

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION *(Continued)*

December 31, 2023

Liabilities And Net Assets

	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Current Liabilities							
Current portion of long-term debt	\$ 1,052,469	\$ 22,463	\$ 4,500	\$ 10,646	\$ 12,000	\$ —	\$ 1,102,078
Accounts payable	10,351	98,863	478,346	13,262	132,912	(538,382)	195,352
Prepaid rent	—	—	1,505	7,108	1,491	—	10,104
Accrued interest	—	—	76,201	4,626	—	(11,966)	68,861
Accrued real estate taxes	54,264	39,000	25,878	54,246	34,284	—	207,672
Deferred revenue	73,083	—	—	—	15,425	—	88,508
Due to related parties	—	461,666	498,652	45,504	112,480	(1,118,302)	—
Program escrow	4,215	—	—	—	—	—	4,215
Tenant security deposits	2,475	22,858	17,139	31,279	30,738	—	104,489
Line of credit	100,000	—	—	—	—	—	100,000
Total Current Liabilities	1,296,857	644,850	1,102,221	166,671	339,330	(1,668,650)	1,881,279
Long-Term Liabilities							
Long-term debt, net of current portion	340,064	4,819,159	10,342,282	6,158,461	4,095,741	(1,124,858)	24,630,849
Less: Debt issuance costs	—	—	(160,494)	(21,000)	(1,757)	—	(183,251)
Other long-term liabilities - accrued interest	—	157,379	—	762,038	1,211,564	(534,928)	1,596,053
Total Long-Term Liabilities	340,064	4,976,538	10,181,788	6,899,499	5,305,548	(1,659,786)	26,043,651
Total Liabilities	1,636,921	5,621,388	11,284,009	7,066,170	5,644,878	(3,328,436)	27,924,930
Net Assets							
Without donor restrictions							
Controlling interests	2,239,853	(2,361,524)	(83)	1,628,650	(441)	698,594	2,205,049
Non-controlling interests	—	—	1,068,527	6,877,655	1,833,273	—	9,779,455
Total Net Assets	2,239,853	(2,361,524)	1,068,444	8,506,305	1,832,832	698,594	11,984,504
Total Liabilities And Net Assets	\$ 3,876,774	\$ 3,259,864	\$ 12,352,453	\$ 15,572,475	\$ 7,477,710	\$ (2,629,842)	\$ 39,909,434

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended December 31, 2023

	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Support							
City of Chicago, Department of Planning and Development	\$ 427,947	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 427,947
Freddie Mac	100,000	—	—	—	—	—	100,000
Foundations, companies and individuals	104,112	—	—	—	—	—	104,112
Total Support	632,059	—	—	—	—	—	632,059
Revenue							
Net rental revenue	31,908	312,908	408,232	523,611	496,703	—	1,773,362
Development fees	262,500	—	—	—	—	—	262,500
Partnership management fees	56,207	—	—	—	—	(56,207)	—
Property management fees	69,507	—	—	—	—	(69,507)	—
Property reimbursable fees	345,751	—	—	—	—	(345,751)	—
Interest income	84,512	625	2	3	3	(84,512)	633
Miscellaneous income	35,091	470,975	752	97,818	2,319	—	606,955
Forgiveness of PPP loan	—	—	—	—	—	—	—
Total Revenue	885,476	784,508	408,986	621,432	499,025	(555,977)	2,643,450
Total Support And Revenue	1,517,535	784,508	408,986	621,432	499,025	(555,977)	3,275,509

LATIN UNITED COMMUNITY HOUSING ASSOCIATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)
For The Year Ended December 31, 2023

	Latin United Community Housing Association	Madres Unidas LP	HPR Preservation LP	Tierra Linda LP	Borinquen Bella LP	Eliminating Entries	Total
Expenses							
Office expenses	\$ 17,065	\$ 9,982	\$ 11,337	\$ 2,745	\$ 39,707	\$ (10,281)	\$ 70,555
Advertising	3,284	—	6,361	—	—	—	9,645
Utilities expense	7,206	34,667	65,952	45,217	69,797	—	222,839
Professional fees	19,330	14,750	14,484	28,725	28,783	—	106,072
Telephone and technology	57,547	—	78,931	3,925	—	—	140,403
Insurance expense	50,038	51,239	43,657	51,685	36,736	—	233,355
Real estate taxes	48,948	38,348	13,568	57,620	—	—	158,484
Bad debts	—	41,534	—	29,358	16,161	—	87,053
Licenses, permits and dues	5,403	175	275	—	—	—	5,853
Repairs and maintenance	2,698	72,828	70,208	104,476	113,275	(276)	363,209
Salaries and benefits	1,364,865	125,576	226,809	141,961	137,867	(335,194)	1,661,884
Mortgage interest	61,339	41,393	128,156	199,317	111,772	(84,512)	457,465
Miscellaneous operating expenses	51,978	—	—	—	—	34,805	86,783
Property management fees	—	48,195	21,312	36,580	31,006	(69,507)	67,586
Partnership management fees	—	4,132	5,202	11,255	26,475	(56,207)	(9,143)
Program construction materials	31,047	—	—	—	—	—	31,047
Organization costs	8,287	—	—	—	—	—	8,287
Depreciation	35,709	237,291	503,110	599,392	378,754	(194,523)	1,559,733
Amortization	—	—	2,327	6,350	—	—	8,677
Total Expenses	1,764,744	720,110	1,191,689	1,318,606	990,333	(715,695)	5,269,787
Other Expense							
Losses from investments in partnerships	(64,185)	—	—	—	—	64,185	—
Loss due to fraud	—	—	—	—	162,445	—	162,445
Total Expenses And Other Expenses	1,700,559	720,110	1,191,689	1,318,606	1,152,778	(651,510)	5,432,232
Increase (Decrease) In Unrestricted Net Assets	(183,024)	64,398	(782,703)	(697,174)	(653,753)	95,533	(2,156,723)
Net Assets At Beginning Of Year	2,522,877	(2,425,922)	1,851,147	9,203,479	2,486,585	603,061	14,241,227
Net Assets Released From Restrictions	(100,000)	—	—	—	—	—	(100,000)
Net Assets At End Of Year	\$ 2,239,853	\$ (2,361,524)	\$ 1,068,444	\$ 8,506,305	\$ 1,832,832	\$ 698,594	\$ 11,984,504