



CENTRAL AMERICAN RESOURCE CENTER

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statement of Activities, Year Ended December 31, 2019	4
Statement of Activities, Year Ended December 31, 2018	5
Statement of Functional Expenses, Year Ended December 31, 2019	6
Statement of Functional Expenses, Year Ended December 31, 2018	7
Statements of Cash Flows	8
Notes to the Financial Statements	9-14



Independent Auditor's Report

To the Board of Directors
Central American Resource Center
Washington, DC

We have audited the accompanying financial statements of Central American Resource Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central American Resource Center as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note B to the financial statements, in 2019 CARECEN adopted new accounting guidance, Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers and ASU 2018-08, Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made. Our opinion is not modified with respect to this matter.

Jane Maruca & McQuade PA

Washington, DC
May 6, 2020

**CENTRAL AMERICAN RESOURCE CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 97,140	\$ 71,943
Contracts receivable	144,841	131,610
Grants and contributions receivable	47,574	26,218
Prepaid expenses	-	4,471
Total Current Assets	289,555	234,242
PROPERTY AND EQUIPMENT, NET	698,009	716,263
TOTAL ASSETS	\$ 987,564	\$ 950,505
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 26,319	\$ 17,504
Deferred revenue	37,764	-
Note payable, current portion	17,131	15,348
Total Current Liabilities	81,214	32,852
NON-CURRENT LIABILITIES		
Note payable, net of current portion	196,454	219,563
Total Liabilities	277,668	252,415
NET ASSETS		
Without donor restrictions	661,878	681,590
With donor restrictions	48,018	16,500
Total Net Assets	709,896	698,090
TOTAL LIABILITIES AND NET ASSETS	\$ 987,564	\$ 950,505

The accompanying notes are an integral part of these financial statements.

**CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Without Donor restrictions	With Donor restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 248,812	\$ 55,000	\$ 303,812
Contract revenue	576,263	-	576,263
Service fees	224,175	-	224,175
Annual events	46,377	-	46,377
Other revenue	6,225	-	6,225
Net assets released from restrictions	23,482	(23,482)	-
Total Revenue and Support	<u>1,125,334</u>	<u>31,518</u>	<u>1,156,852</u>
EXPENSES			
Program Services:			
Legal and counseling	398,990	-	398,990
Citizenship and civic participation	140,458	-	140,458
Housing	436,076	-	436,076
Total Program Services	<u>975,524</u>	<u>-</u>	<u>975,524</u>
Support Services:			
Management and general	108,236	-	108,236
Fundraising	61,286	-	61,286
Total Support Services	<u>169,522</u>	<u>-</u>	<u>169,522</u>
Total Expenses	<u>1,145,046</u>	<u>-</u>	<u>1,145,046</u>
CHANGE IN NET ASSETS	(19,712)	31,518	11,806
NET ASSETS, beginning of year	<u>681,590</u>	<u>16,500</u>	<u>698,090</u>
NET ASSETS, end of year	<u>\$ 661,878</u>	<u>\$ 48,018</u>	<u>\$ 709,896</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Without Donor restrictions	With Donor restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 107,944	\$ 104,507	\$ 212,451
Contract revenue	611,968	-	611,968
Service fees	273,778	-	273,778
Annual events	57,222	-	57,222
Rental income	1,200	-	1,200
Other revenue	3,727	-	3,727
Net assets released from restrictions	139,340	(139,340)	-
Total Revenue and Support	<u>1,195,179</u>	<u>(34,833)</u>	<u>1,160,346</u>
EXPENSES			
Program Services:			
Legal and counseling	372,429	-	372,429
Citizenship and civic participation	300,444	-	300,444
Housing	380,512	-	380,512
Total Program Services	<u>1,053,385</u>	<u>-</u>	<u>1,053,385</u>
Support Services:			
Management and general	81,336	-	81,336
Fundraising	88,529	-	88,529
Total Support Services	<u>169,865</u>	<u>-</u>	<u>169,865</u>
Total Expenses	<u>1,223,250</u>	<u>-</u>	<u>1,223,250</u>
CHANGE IN NET ASSETS	(28,071)	(34,833)	(62,904)
NET ASSETS, beginning of year	<u>709,661</u>	<u>51,333</u>	<u>760,994</u>
NET ASSETS, end of year	<u>\$ 681,590</u>	<u>\$ 16,500</u>	<u>\$ 698,090</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program Services				Support Services			Total
	Legal and Counseling	Citizenship and Civic Participation	Housing	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel Expenses								
Salaries	\$ 267,674	\$ 94,799	\$ 283,699	\$ 646,172	\$ 21,131	\$ 19,745	\$ 40,876	\$ 687,048
Benefits	19,482	7,450	23,143	50,075	9,351	1,415	10,766	60,841
Payroll tax	23,762	8,445	25,358	57,565	1,758	1,758	3,516	61,081
Total Personnel Expenses	310,918	110,694	332,200	753,812	32,240	22,918	55,158	808,970
General Expenses								
Administration and board meeting	143	302	200	645	3,368	918	4,286	4,931
Advertising	285	-	190	475	95	-	95	570
Bank charges	886	322	797	2,005	875	61	936	2,941
Consultants	8,432	831	22,127	31,390	2,354	9,053	11,407	42,797
Depreciation and amortization	10,152	3,644	10,673	24,469	781	781	1,562	26,031
Donations	429	151	1,530	2,110	118	259	377	2,487
Equipment	13,679	2,620	10,768	27,067	1,455	582	2,037	29,104
Food and entertainment	-	-	316	316	168	23,565	23,733	24,049
Insurance	4,517	780	3,459	8,756	154	156	310	9,066
Interest	4,773	4,602	4,298	13,673	175	170	345	14,018
Materials	8,923	2,326	4,548	15,797	1,382	29	1,411	17,208
Membership and subscription	3,894	425	2,113	6,432	129	104	233	6,665
Occupancy	10,111	8,673	13,053	31,837	1,185	670	1,855	33,692
Office supplies	2,178	451	3,034	5,663	746	397	1,143	6,806
Postage and shipping	6,189	-	456	6,645	563	366	929	7,574
Printing and publications	563	172	14,077	14,812	1,024	359	1,383	16,195
Professional fees	-	-	-	-	40,844	-	40,844	40,844
Repairs and maintenance	2,336	1,813	2,395	6,544	730	407	1,137	7,681
Telephone	3,889	2,445	4,506	10,840	278	272	550	11,390
Training and staff development	3,325	-	3,608	6,933	16,831	77	16,908	23,841
Travel	3,368	207	1,728	5,303	2,741	142	2,883	8,186
Total Expenses	\$ 398,990	\$ 140,458	\$ 436,076	\$ 975,524	\$ 108,236	\$ 61,286	\$ 169,522	\$ 1,145,046

The accompanying notes are an integral part of these financial statements.

**CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Program Services				Support Services			Total
	Legal and Counseling	Citizenship and Civic Participation	Housing	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel Expenses								
Salaries	\$ 249,794	\$ 189,020	\$ 270,400	\$ 709,214	\$ 24,610	\$ 49,115	\$ 73,725	\$ 782,939
Benefits	23,212	17,564	25,126	65,902	2,287	4,564	6,851	72,753
Payroll tax	19,315	14,616	20,909	54,840	1,903	3,798	5,701	60,541
Total Personnel Expenses	292,321	221,200	316,435	829,956	28,800	57,477	86,277	916,233
General Expenses								
Administration and board meeting	442	773	654	1,869	2,900	235	3,135	5,004
Advertising	90	-	180	270	-	92	92	362
Bank charges	1,050	671	903	2,624	56	157	213	2,837
Consultants	1,737	7,509	882	10,128	104	187	291	10,419
Depreciation and amortization	9,031	6,716	5,789	21,536	695	928	1,623	23,159
Donations	266	210	1,634	2,110	73	244	317	2,427
Equipment	6,088	5,927	8,656	20,671	3,218	858	4,076	24,747
Food and entertainment	-	-	-	-	-	19,985	19,985	19,985
Insurance	3,882	1,649	2,293	7,824	144	428	572	8,396
Interest	5,729	5,729	4,762	16,220	-	-	-	16,220
Materials	4,513	14,950	3,814	23,277	403	14	417	23,694
Membership and subscription	3,446	2,005	3,142	8,593	675	1,298	1,973	10,566
Miscellaneous	-	-	-	-	-	-	-	-
Occupancy	10,856	10,611	8,305	29,772	691	531	1,222	30,994
Office supplies	1,856	2,011	2,178	6,045	305	322	627	6,672
Postage and shipping	7,803	769	407	8,979	136	971	1,107	10,086
Printing and publications	885	1,698	1,116	3,699	159	1,156	1,315	5,014
Professional fees	8,872	8,778	9,881	27,531	27,774	871	28,645	56,176
Repairs and maintenance	3,069	3,069	2,192	8,330	1,481	216	1,697	10,027
Telephone	2,929	3,397	3,319	9,645	406	576	982	10,627
Training and staff development	3,062	1,993	3,615	8,670	4,379	1,320	5,699	14,369
Travel	4,502	779	355	5,636	8,937	663	9,600	15,236
Total Expenses	\$ 372,429	\$ 300,444	\$ 380,512	\$ 1,053,385	\$ 81,336	\$ 88,529	\$ 169,865	\$ 1,223,250

The accompanying notes are an integral part of these financial statements.

**CENTRAL AMERICAN RESOURCE CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,806	\$ (62,904)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	26,031	23,159
(Increase) decrease in:		
Contracts receivable	(13,231)	(959)
Grants and contributions receivable	(21,356)	(18,768)
Prepaid expenses	4,471	(4,471)
Increase (decrease) in:		
Accounts payable and accrued expenses	8,815	1,266
Deferred revenue	37,764	(8,750)
Net Cash Provided by (Used in) Operating Activities	54,300	(71,427)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(7,777)	(22,050)
Net Cash Used in Investing Activities	(7,777)	(22,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(21,326)	(19,780)
Net Cash Used in Financing Activities	(21,326)	(19,780)
NET CHANGE IN CASH	25,197	(113,257)
CASH, beginning of year	71,943	185,200
CASH, end of year	\$ 97,140	\$ 71,943
SUPPLEMENTAL DISCLOSURE		
Interest paid	\$ 14,018	\$ 16,220

The accompanying notes are an integral part of these financial statements.

**CENTRAL AMERICAN RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE A – ORGANIZATION AND PURPOSE

The Central American Resource Center (“CARECEN”) is a non-profit organization incorporated in the District of Columbia in 1982 for the purpose of providing direct services in immigration, housing and citizenship while also promoting empowerment, civil rights advocacy and civic training for the Latino community in the Washington metropolitan region.

CARECEN has the following three programs:

Legal and Counseling – Provides immigration legal counseling and assistance in completing a variety of immigration applications including family petitions, adjustment of status, work permits, consulate processing, asylum and citizenship.

Citizenship and Civic Participation – Community empowerment, leadership training and educational workshops are offered to eligible legal permanent residents and newly-naturalized citizens to educate them about language access, school systems, and citizen rights, including voter registration and civic engagement.

Housing – Provides technical assistance to tenants in forming tenant associations as well as comprehensive housing counseling, financial literacy and credit counseling, pre-purchase and foreclosure prevention counseling, as well as paralegal assistance in tenant/landlord issues.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements were prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Adoption of New Accounting Pronouncement

The Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification Topic 606, Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. CARECEN has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

In June 2018, FASB issued *ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. CARECEN has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Organization’s implementation of ASU 2018-08.

CENTRAL AMERICAN RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic *Not-for-Profit-Entities*. In accordance with the topic, CARECEN is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, the net assets of CARECEN and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of CARECEN and/or the passage of time or that must be maintained permanently by CARECEN. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. CARECEN had \$48,018 and \$16,500 of net assets with donor restrictions as of December 31, 2019 and 2018, respectively.

Cash

CARECEN maintains its cash balances in demand deposits. The amount of deposited funds may, from time to time, exceed the federally insured limit. However CARECEN has not experienced any losses in such accounts and management believes that CARECEN is not exposed to any significant credit risk with respect to these amount.

Contracts, Grants, and Contributions Receivable

Contracts, grants, and contributions receivable are stated at the amount management expect to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes that all contracts, grants, and contributions receivable are collectible and will be received within one year. Therefore, no allowance for doubtful accounts has been established as of December 31, 2019 or 2018.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. CARECEN capitalizes all expenditures for property and equipment in excess of \$500. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are generally five years for furniture, equipment and software, and 40 years for buildings. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

CENTRAL AMERICAN RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Grants and contributions are recognized when the unconditional grants or contributions have been awarded. Conditional promises to give are recognized only when the condition is substantially met and the promise becomes unconditional. Contributions with donor restrictions for which the restrictions are met in the year received are considered contributions without donor restrictions for financial statement purposes. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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 statements of activities as net assets released from donor restriction.

Contract revenue is recognized as the related services are provided. Revenue from program service fees is recognized when the service is provided. Event income is recognized at the time the event is held.

Method Used for Allocation of Expenses from Management and General Activities

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 depreciation, office and occupancy, salaries and benefits, which are allocated on the basis of estimates of time.

Use of Estimates

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

NOTE C – INCOME TAXES

CARECEN is recognized as a 501(c)(3) organization exempt from federal income tax under the provisions of Section 501(a) of the Internal Revenue Code, except on unrelated business activities.

CARECEN believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax provisions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

CARECEN's information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. CARECEN's form 990 information returns for the years ended December 31, 2016 through 2018 are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

CENTRAL AMERICAN RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

CARECEN regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to prudently invest available funds.

In addition to financial assets available to meet general expenditures over the next 12 months, CARECEN operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of CARECEN’s cash.

The following reflects CARECEN’s financial assets as of December 31, 2019 and 2018:

	2019	2018
Cash	\$ 97,140	\$ 71,943
Receivable	192,415	157,828
Encumbered net assets with donor restrictions	(48,018)	(16,500)
Financial Assets Available to Meet		
Cash Needs for General Expenditures		
Within One Year	\$ 241,537	\$ 213,271

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as December 31:

	2019	2018
Land	\$ 250,769	\$ 250,769
Building	659,597	659,597
Furniture and equipment	65,275	57,498
Software	3,976	3,976
Total Property and Equipment	979,617	971,840
Less: Accumulated depreciation and amortization	(281,608)	(255,577)
Property and Equipment, Net	\$ 698,009	\$ 716,263

Depreciation and amortization expense for the years ended December 31, 2019 and 2018 totaled \$26,031 and \$23,159, respectively.

CENTRAL AMERICAN RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(continued)

NOTE F – COMMITMENTS AND CONTINGENCIES

In September 2015, CARECEN entered into a copier operating lease agreement beginning in October 2015 for a period of five years. According to the lease terms, lease payments of \$481 are due monthly.

CARECEN entered into a telephone system operating lease agreement beginning in September 2014 for a period of five years. According to the lease terms, lease payments of \$146 are due monthly. This lease ended in October 2019.

In November 2019, CARECEN entered into a telephone system operating lease agreement for a period of five years. The monthly lease payment is \$168.

The following is a schedule of future minimum lease payments required under the telephone system and copier lease as of December 31:

2020	\$	6,345
2021		2,016
2022		2,016
2023		2,016
2024		1,848
Future Minimum Payments	<u>\$</u>	<u>14,241</u>

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Fellowship	\$ 48,018	\$ -
Youth program	-	10,000
Housing program	-	6,500
	<u>\$ 48,018</u>	<u>\$ 16,500</u>

NOTE H – RETIREMENT PLAN

CARECEN established the CARECEN DC 403(b) (the “Plan”) for all employees that was updated as of February 1, 2018. The Plan allows pre-tax salary deferrals based on Internal Revenue Service imposed limits each year. There is no minimum age or service requirement to make salary deferral payments to this Plan. However, the plan does require employees to complete one year of service before they can receive employer matching contributions. CARECEN’s contribution to this plan is discretionary. For the year ended December 31, 2019 and 2018, pension expense was \$7,822 and \$7,622.

NOTE I – VOLUNTEER SERVICES

CARECEN receives volunteer services from various interns and other community volunteers to help with paralegal work and to conduct English as a second language (“ESL”) citizenship classes. The value of these services is not readily determinable and has not been recognized in these financial statements.

CENTRAL AMERICAN RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
(continued)

NOTE J – NOTE PAYABLE

CARECEN is obligated on a note payable to Raza Development Fund. The note bears interest at 6.75% per annum and originally required interest only payments through September 2013. The note is secured by a lien on CARECEN's office space.

In October 2015, CARECEN re-negotiated the term of the note and extended maturity for an additional 60 months at 6.25% per annum. The note currently requires principal and interest monthly payments of \$2,500 effective August 2016 through September 2021 with the remaining balance payable in September 2021.

The following is a schedule of future payments required under the note as of December 31:

2020	\$ 17,131
2021	<u>196,454</u>
Future Minimum Payments	<u><u>\$ 213,585</u></u>

NOTE K – SUBSEQUENT EVENTS

In preparing these financial statements, CARECEN's management has evaluated events and transactions for potential recognition or disclosure through May 6, 2020, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.