CENTRAL AMERICAN RESOURCE CENTER

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023 AND 2022

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JM&M
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Independent Auditor's Report

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central American Resource Center as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central American Resource Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central American Resource Center's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central American Resource Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note B to the financial statements, during the year ended December 31, 2023, Central American Resource Center adopted new accounting guidance, Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

JM & M

Washington, DC
May 3, 2024

CENTRAL AMERICAN RESOURCE CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 1,419,819	$ 1,111,588
Government grants receivable	338,081	310,416
Grants and contributions receivable	150,643	291,058
Accounts receivable	18,565	-
Total Current Assets	1,927,108	1,713,062
PROPERTY AND EQUIPMENT, NET	721,508	757,929
NON-CURRENT ASSETS		
Right-of-use asset - operating leases, net	11,778	19,611
Total Non-Current Assets	11,778	19,611
TOTAL ASSETS	$ 2,660,394	$ 2,490,602
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 29,664	$ -
Accrued payroll expenses	57,007	35,815
Loan payable, current portion	36,223	22,750
Lease liabilities - operating lease, current portion	7,774	7,833
Total Current Liabilities	130,668	66,398
NON-CURRENT LIABILITIES		
Loan payable, net of current portion	165,132	212,045
Lease liabilities - operating lease, net of current portion	4,004	11,778
Total Non-Current Liabilities	169,136	223,823
Total Liabilities	299,804	290,221
NET ASSETS		
Without donor restrictions	2,340,590	2,056,881
With donor restrictions	20,000	143,500
Total Net Assets	2,360,590	2,200,381
TOTAL LIABILITIES AND NET ASSETS	$ 2,660,394	$ 2,490,602

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

CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	$ 1,019,920	$ 20,000	$ 1,039,920
Government grants	1,554,529	-	1,554,529
Program service fees	266,234	-	266,234
Other revenue	4,800	-	4,800
Net assets released from restrictions	143,500	(143,500)	-
Total Revenue and Support Without Donor Restrictions	2,988,983	(123,500)	2,865,483
EXPENSES			
Program Services:			
Legal and counseling	1,062,438	-	1,062,438
Housing	1,111,211	-	1,111,211
Total Program Services	2,173,649	-	2,173,649
Support Services:			
Management and general	427,156	-	427,156
Fundraising	104,469	-	104,469
Total Support Services	531,625	-	531,625
Total Expenses	2,705,274	-	2,705,274
CHANGE IN NET ASSETS	283,709	(123,500)	160,209
NET ASSETS, beginning of year	2,056,881	143,500	2,200,381
NET ASSETS, end of year	$ 2,340,590	$ 20,000	$ 2,360,590

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

CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	$ 1,838,998	$ 287,000	$ 2,125,998
Government grants	1,588,104	-	1,588,104
Program service fees	175,310	-	175,310
In-kind contributions	65,000	-	65,000
Other revenue	4,284	-	4,284
Net assets released from restrictions	143,500	(143,500)	-
Total Revenue and Support Without Donor Restrictions	3,815,196	143,500	3,958,696
EXPENSES			
Program Services:			
Legal and counseling	1,168,091	-	1,168,091
Housing	1,127,783	-	1,127,783
Total Program Services	2,295,874	-	2,295,874
Support Services:			
Management and general	429,916	-	429,916
Fundraising	50,602	-	50,602
Total Support Services	480,518	-	480,518
Total Expenses	2,776,392	-	2,776,392
CHANGE IN NET ASSETS	1,038,804	143,500	1,182,304
NET ASSETS, beginning of year	1,018,077	-	1,018,077
NET ASSETS, end of year	$ 2,056,881	$ 143,500	$ 2,200,381

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

CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services			Support Services			
	Legal and Counseling	Housing	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Personnel Costs:							
Salaries	$ 714,232	$ 538,999	$ 1,253,231	$ 185,902	$ 37,824	$ 223,726	$ 1,476,957
Benefits	64,718	52,631	117,349	30,478	3,774	34,252	151,601
Payroll taxes	64,145	44,427	108,572	15,075	3,322	18,397	126,969
Total Personnel Costs	843,095	636,057	1,479,152	231,455	44,920	276,375	1,755,527
General Expenses							
Accounting	-	-	-	15,025	-	15,025	15,025
Administration and board meeting	-	-	-	184	-	184	184
Bad debt	-	-	-	23,838	-	23,838	23,838
Bank charges	490	1,039	1,529	4,280	-	4,280	5,809
Consultants	52,886	247,271	300,157	-	15,000	15,000	315,157
Depreciation and amortization	15,035	17,256	32,291	9,215	381	9,596	41,887
Donations	-	7,299	7,299	-	-	-	7,299
Equipment	12,682	7,372	20,054	15,801	-	15,801	35,855
Insurance	5,985	2,814	8,799	2,159	-	2,159	10,958
Interest	6,732	5,987	12,719	1,840	-	1,840	14,559
Marketing and advertising	-	105	105	2,420	-	2,420	2,525
Materials	46,314	137,065	183,379	-	-	-	183,379
Meetings -food, audiovisual	-	-	-	-	42,906	42,906	42,906
Membership and subscription	11,026	4,485	15,511	12,410	-	12,410	27,921
Occupancy	18,872	15,966	34,838	13,142	45	13,187	48,025
Office supplies	5,292	4,104	9,396	13,380	66	13,446	22,842
Postage and shipping	6,891	594	7,485	3,594	-	3,594	11,079
Payroll services fee	10,836	7,614	18,450	9,266	64	9,330	27,780
Printing and publications	623	2,000	2,623	13,912	985	14,897	17,520
Repairs and maintenance	112	1,900	2,012	7,277	-	7,277	9,289
Telephone	7,874	7,094	14,968	5,003	42	5,045	20,013
Training and staff development	8,364	4,775	13,139	20,268	-	20,268	33,407
Travel	9,329	414	9,743	22,687	60	22,747	32,490
Total Expenses	$ 1,062,438	$ 1,111,211	$ 2,173,649	$ 427,156	$ 104,469	$ 531,625	$ 2,705,274

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

CENTRAL AMERICAN RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services			Support Services			
	Legal and Counseling	Housing	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Personnel Costs:							
Salaries	$ 568,799	$ 652,810	$ 1,221,609	$ 137,120	$ 12,470	$ 149,590	$ 1,371,199
Benefits	65,006	51,723	116,729	13,070	908	13,978	130,707
Payroll taxes	55,127	55,485	110,612	12,321	280	12,601	123,213
Total Personnel Costs	688,932	760,018	1,448,950	162,511	13,658	176,169	1,625,119
General Expenses							
Accounting	-	-	-	14,325	-	14,325	14,325
Administration and board meeting	-	-	-	968	-	968	968
Bank charges	173	524	697	2,799	-	2,799	3,496
Consultants	183,510	255,905	439,415	50,212	12,500	62,712	502,127
Depreciation and amortization	16,097	18,475	34,572	9,865	408	10,273	44,845
Donations	-	-	-	3,255	-	3,255	3,255
Equipment	3,857	9,634	13,491	24,377	103	24,480	37,971
In-kind goods	-	-	-	65,000	-	65,000	65,000
Insurance	5,646	1,935	7,581	3,139	115	3,254	10,835
Interest	4,822	5,731	10,553	63	1,778	1,841	12,394
Marketing and advertising	-	-	-	876	-	876	876
Materials	10,576	3,759	14,335	27,452	88	27,540	41,875
Membership and subscription	4,283	7,378	11,661	6,529	924	7,453	19,114
Miscellaneous	-	-	-	2,263	-	2,263	2,263
Occupancy	8,987	17,904	26,891	6,688	448	7,136	34,027
Office supplies	8,218	8,050	16,268	4,931	-	4,931	21,199
Postage and shipping	3,867	1,071	4,938	661	-	661	5,599
Payroll services fee	10,351	13,167	23,518	4,904	449	5,353	28,871
Printing and publications	224	4,112	4,336	13,473	-	13,473	17,809
Repairs and maintenance	1,115	935	2,050	9,002	59	9,061	11,111
Special event	-	-	-	-	19,807	19,807	19,807
Telephone	4,828	9,627	14,455	10,990	265	11,255	25,710
Training and staff development	4,888	6,023	10,911	3,001	-	3,001	13,912
Travel	207,717	3,535	211,252	2,632	-	2,632	213,884
Total Expenses	$ 1,168,091	$ 1,127,783	$ 2,295,874	$ 429,916	$ 50,602	$ 480,518	$ 2,776,392

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

CENTRAL AMERICAN RESOURCE CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 160,209	$ 1,182,304
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation and amortization	41,887	44,845
Operating lease right-of- use asset	-	(27,337)
Amortization of operating lease right-of- use asset	7,833	7,726
Operating lease liabilities	-	19,611
(Increase) decrease in:		
Government grants receivable	(27,665)	(38,720)
Grants and contributions receivable	140,415	(209,702)
Accounts receivable	(18,565)	36,874
Increase (decrease) in:		
Grants payable	29,664	-
Accrued expenses	21,192	(15,022)
Operating lease liabilities	(7,833)	-
Net Cash Provided by Operating Activities	347,137	1,000,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(5,466)	(43,625)
Net Cash Used for Investing Activities	(5,466)	(43,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(33,440)	(31,605)
Net Cash Used for Financing Activities	(33,440)	(31,605)
NET CHANGE IN CASH	308,231	925,349
CASH, beginning of year	1,111,588	186,239
CASH, end of year	$ 1,419,819	$ 1,111,588
SUPPLEMENTAL DISCLOSURE		
Interest paid	$ 14,559	$ 12,395

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

NOTE A – ORGANIZATION AND PURPOSE

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 in the areas of immigration, housing and citizenship while also promoting empowerment, civil rights advocacy and civic training for the Latino community in the Washington metropolitan region. The activities of CARECEN are funded primarily by government and private grants.

CARECEN has the following three programs:

Legal and Counseling – This program provides assistance to immigrants in completing a variety of applications including family petitions, adjustment of legal status, work permits, consulate processing, asylum and citizenship.

Housing – This program provides technical assistance to residents 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

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by CARECEN that are subject to the guidance in FASB Accounting Standards Codification (ASC) Topic 326 were trade accounts receivable and contracts receivable.

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 958, *Not-for-Profit-Entities*. In accordance with the Topic 958, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

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 in perpetuity by CARECEN. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. As of the year ending, December 31, 2023 and 2022, assets with donor restrictions totaled $20,000 and $143,000, respectively, and were all restricted for time.

Cash

CARECEN considers all highly liquid funds including interest bearing savings accounts, which are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. At times, the accounts may exceed this limit; however, CARECEN believes it is not exposed to any significant credit risk on cash.

Contracts, Grants and Contributions Receivable

Contracts, grants and contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a 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. Therefore, no allowance for doubtful accounts has been established as of December 31, 2023 or 2022. As of beginning of the year ended December 31, 2022, contracts receivable totaled $308,570.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 up to 39 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.

Right-of-Use ("ROU") Assets (Operating Leases)

ROU assets are measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

Operating Leases Liabilities

CARECEN accounts for leases in accordance with FASB ASC Topic 842. CARECEN is a lessee in an operating lease for copier. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use assets are amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line occupancy expense over the lease term. Variable lease expenses, if any, are recognized when incurred.

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date.

Revenue Recognition

Grants and Contributions

CARECEN recognizes grants and contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Government Grants

Revenues are primarily received either directly or indirectly from federal government agencies. These revenues are considered conditional grants with a measurable performance or other barrier and a right of return, and are not recognized until the conditions on which they depend have been substantially met. These grants are also subject to audit by the grantor agencies, which could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

Program Service Fees

Program service fees is revenue primarily derived from legal services, counseling, and class registrations provided by CARECEN, which is recognized at a point of time when the services are provided.

Other Revenue

Other revenue is revenue primarily derived from speaker fee or rental facilities provided by CARECEN, which is recognized at a point of time when the services are provided.

In-kind Contributions

Donated goods are recognized as contributions if the goods create or enhance non-financial assets and would otherwise be purchased by CARECEN. Contributed goods that do not meet the above criteria are not recognized.

Method Used for 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 depreciation and amortization, occupancy, and other applicable office expenses, which are allocated on the basis of salaries and related costs determined by estimates of time and effort expended**.**

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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

For the year ended December 31, 2022, receivables were reclassified to 3 categories of government grants receivable, grants and contributions receivable and accounts receivable on both the statements of financial position and on the statements of cash flows and rental income was included in other income to conform to the current year presentation. The reclassification, had no effect on the previously reported net assets or change in net assets.

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 were no unrecognized tax benefits or liabilities that needed 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, 2020 through 2022, 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.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

CARECEN's management regularly monitors liquidity requirements to ensure that ongoing operating needs and other contractual commitments are met. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to CARECEN include financial assets consisting of cash, and contracts, grants and contributions receivable.

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, CARECEN considers all expenditures related to its ongoing program activities as well as services undertaken to support those programs, to be general operating expenditures.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY (continued)

The following reflects CARECEN's financial assets as of December 31:

	2023	2022
Cash	$ 1,419,819	$ 1,111,588
Government grants receivable	338,081	310,416
Grants and contributions receivable	150,643	291,058
Accounts receivable	18,565	-
Total Financial Assets	1,927,108	1,713,062
Less: Net assets with donor restrictions	(20,000)	(143,000)
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,907,108	$ 1,570,062

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as December 31:

	2023	2022
Land	$ 250,769	$ 250,769
Building	659,597	659,597
Building renovations	96,261	96,261
Furniture and equipment	143,775	138,309
Software	3,976	3,976
Total Property and Equipment	1,154,378	1,148,912
Less: Accumulated depreciation and amortization	(432,870)	(390,983)
Property and Equipment, Net	$ 721,508	$ 757,929

Depreciation and amortization expense for the years ended December 31, 2023 and 2022, totaled $41,887 and $44,845, respectively.

NOTE F – OPERATING LEASE COMMITMENTS

Effective in October 2015, CARECEN entered into a copier lease agreement for a period of five years. Beginning in August 2020, the copier lease was renewed for an additional five years, with a monthly lease payment of $503.

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

NOTE F – OPERATING LEASE COMMITMENTS (continued)

The following is a schedule of future minimum lease payments required under the two operating leases as of December 31:

2024	$	7,886
2025		4,024
Total		11,910
Less: discount		(132)
Total	$	11,778

The balance of the ROU operating assets as of December 31:

	2023	2022
Operating leases ROU assets - equipment	$ 27,337	$ 27,337
Less: amortization of ROU operating assets -equipment	(15,559)	(7,726)
Operating Leases ROU Assets, Net	$ 11,778	$ 19,611

Average lease term and discount rate as of December 31:

	2023	2022
Weighted average remaining leases term (years)	2.39	2.52
Weighted average discount rate	1.37%	1.38%

NOTE G – RETIREMENT PLAN

CARECEN established the CARECEN DC 403(b) Plan (the "Plan") for all employees that meet the eligibility requirement. 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, an employee must work a minimum of more than 20 hours per week and complete at least one year of service in order receive employer matching contributions. Employer contributions to the Plan are discretionary. For the years ended December 31, 2023 and 2022, pension expense totaled $12,614 and $10,553, respectively.

NOTE H – VOLUNTEER SERVICES

CARECEN receives volunteer services from various interns and other community members to help with paralegal work and to conduct English as a Second Language ("ESL") classes. The value of these services is not readily determinable and therefore, has not been recognized in these financial statements.

NOTE I – DEBT OBLIGATION

In 2015, CARECEN secured a term loan from Raza Development Fund (the "Lender") in the amount of $300,000. The loan is secured by a lien on CARECEN's office space and required principal and interest of monthly payments totaling $2,500. In 2021, CARECEN renegotiated the terms of its agreement with the Lender, resulting in a new loan of $275,000. The loan bears an interest of 5.75% and matures on July 31, 2031.

The following is the schedule of future minimum payments related to the loan payable as of December 31:

2024	$ 36,223
2025	36,223
2026	36,223
2027	36,223
2028	36,223
Thereafter	20,240
Total	$ 201,355

NOTE J – IN-KIND CONTRIBUTIONS

CARECEN received in-kind goods of offices supplies totaling $0 and $65,000, for the years ended December 31, 2023 and 2022, respectively, which is included in the statements of activities. The in-kind goods were allocated and used across CARECEN's program and supporting services; and were valued based on competitive market value. Unless otherwise noted, there were no donor-imposed restrictions on the donated goods .

NOTE K – SUBSEQUENT EVENTS

In preparing these financial statements, CARECEN's management has evaluated events and transactions for potential recognition or disclosure through May 3, 2024, 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.