Community Assistance Center, Inc.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022
with
Independent Auditor's Report

Community Assistance Center, Inc.

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For the Years Ended December 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Assistance Center, Inc.
Sandy Springs, Georgia

Opinion

We have audited the accompanying financial statements of Community Assistance Center, Inc. ("the 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 Community Assistance Center, Inc. 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 audit 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 Community Assistance Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 Community Assistance Center, Inc.'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 Responsibility 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 Community Assistance 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 Community Assistance 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.

Geeslin Group LLC

GEESLIN GROUP LLC

Peachtree City, Georgia
June 1, 2024

Community Assistance Center, Inc.
STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	2023	2022
Unrestricted cash and cash equivalents	$ 968,386	$ 762,247
Unrestricted cash and cash equivalents - board designated	6,000	6,000
Restricted cash and cash equivalents	570,227	990,751
Promises to give - unrestricted, current portion	18,313	11,770
Promises to give - restricted, current portion	300,171	240,730
Prepaid expenses and other assets	35,409	30,181
Inventory	257,623	202,614
Total current assets	2,156,129	2,244,293
Loan costs, net of accumulated amortization	6,917	7,453
Total noncurrent assets	6,917	7,453
Property and equipment	4,871,372	4,517,225
Accumulated depreciation	(1,433,942)	(1,182,549)
Net property and equipment	3,437,430	3,334,676
Leased Assets		
Operating lease right-of-use assets, net	105,685	130,609
Total assets	$ 5,706,161	$ 5,717,031
Accounts payable and accrued expenses	$ 34,778	$ 47,480
Mortgages payable, current maturities	25,963	25,134
Operating leases payable, current maturities	59,021	58,444
Total current liabilities	119,762	131,058
Mortgages payable, net of current maturities	390,855	416,612
Operating leases payable, less current maturities	46,768	74,772
Total noncurrent liabilities	437,623	491,384
Total liabilities	557,385	622,442
Without donor restrictions		
Undesignated	4,272,378	3,857,108
Designated by the Board for operating reserve	6,000	6,000
Total net assets without donor restriction	4,278,378	3,863,108
With donor restrictions		
Purpose restrictions	870,398	1,231,481
Total net assets	5,148,776	5,094,589
Total liabilities and net assets	$ 5,706,161	$ 5,717,031

See accompanying notes.

Community Assistance Center, Inc.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2023 and 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Support				
Grants	$ 86,254	$ 491,258	$ 577,512	$ 733,011
Contributions	3,208,813	106,272	3,315,085	2,487,457
Fundraising	10,350	57,454	67,804	27,295
Net assets released from restrictions	1,016,067	(1,016,067)	-	-
Total support	4,321,484	(361,083)	3,960,401	3,247,763
Development expense				
Retail income	300,224	-	300,224	273,626
Less related expenses	(9,846)	-	(9,846)	(21,291)
Net thrift store sales	290,378	-	290,378	252,335
Gross special events revenue - A Vintage Affair	317,711	-	317,711	326,043
Less cost of direct benefits to donors	(15,785)	-	(15,785)	(19,635)
Net revenue - A Vintage Affair	301,926	-	301,926	306,408
Other revenue				
Interest income	31,967	-	31,967	3,012
Total other income	31,967	-	31,967	3,012
Total revenue, support, and gains, net	4,945,755	(361,083)	4,584,672	3,809,518
Expenses				
Program services expense	3,765,609	-	3,765,609	3,130,004
Management and general	602,217	-	602,217	510,838
Fundraising and development	162,659	-	162,659	220,982
Total expenses	4,530,485	-	4,530,485	3,861,824
Change in Net Assets	415,270	(361,083)	54,187	(52,306)
Net Assets, Beginning of Year	3,863,108	1,231,481	5,094,589	5,146,895
Net Assets, End of Year	$ 4,278,378	$ 870,398	$ 5,148,776	$ 5,094,589

See accompanying notes.

Community Assistance Center, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2023 and 2022

	2023					2022
	Program Services	Management and General	Fundraising and Development	Expenses Included on Statement of Activity	Total	Total
Payroll	$ 492,320	$ 461,289	$ 51,025	$ -	$ 1,004,634	$ 875,252
Payroll taxes	34,585	33,808	10,174	-	78,567	68,626
Employee benefits	24,455	23,905	7,194	-	55,554	55,073
Total personnel costs	551,360	519,002	68,393	-	1,138,755	998,951
Program expenses	2,563,571	-	-	-	2,563,571	2,104,578
Rental expense - operating leases	54,979	3,940	2,647	-	61,566	62,672
Retail expense	-	-	-	9,846	9,846	21,291
Development expense	-	-	63,772	-	63,772	69,836
Direct benefits to donors	-	-	-	15,785	15,785	19,635
Depreciation and amortization	224,972	16,123	10,832	-	251,927	211,089
Insurance	67,111	4,809	3,231	-	75,151	61,005
Interest expense - non-lease	12,665	908	609	-	14,182	13,768
Legal and accounting	-	23,550	-	-	23,550	21,100
Other professional services	-	5,174	-	-	5,174	17,530
Miscellaneous	-	7,816	-	-	7,816	5,185
Garden expenses	-	-	-	-	-	9,642
Office equipment & supplies	7,835	562	379	-	8,776	15,738
Postage and delivery	1,038	74	50	-	1,162	1,426
Printing	8,947	641	431	-	10,019	8,557
Repairs and maintenance	89,981	6,449	4,333	-	100,763	67,324
Security	4,186	300	202	-	4,688	10,670
Seminars and licenses	7,102	1,798	342	-	9,242	11,755
Special events	2,373	170	114	-	2,657	1,538
Technology	62,629	4,489	3,016	-	70,134	66,064
Telephone and internet	23,750	1,702	1,144	-	26,596	23,764
Travel	419	30	20	-	469	205
Utilities	51,330	3,679	2,472	-	57,481	55,192
Vehicle expenses	17,390	-	-	-	17,390	12,868
Waste disposal expense	6,755	484	325	-	7,564	7,178
Volunteer expense	7,216	517	347	-	8,080	4,189
Total expenses by function	3,765,609	602,217	162,659	25,631	4,556,116	3,902,750
Less expenses included with revenues on the statement of activities.						
Retail expense	-	-	-	(9,846)	(9,846)	(21,291)
Cost of direct benefits to donors	-	-	-	(15,785)	(15,785)	(19,635)
Total expenses included in the expense section on the statement of activities.	$ 3,765,609	$ 602,217	$ 162,659	$ -	$ 4,530,485	$ 3,861,824

See accompanying notes.

Community Assistance Center, Inc.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 54,187	$ (52,306)
Adjustments to reconcile change in net assets to net cash from operating activities		
Inventory - donated	(55,009)	(14,241)
Depreciation and amortization	251,927	211,089
Amortization of operating lease right of use asset	(2,501)	2,607
Changes in operating assets and liabilities		
Promises to give	(65,984)	60,354
Prepaid expenses and other assets	(5,228)	(2,490)
Accounts payable and accrued expenses	(12,702)	11,860
Net Cash provided by Operating Activities	164,690	216,873
Cash Flows from Investing Activities		
Purchases of property and equipment	(354,147)	(711,384)
Net Cash used for Investing Activities	(354,147)	(711,384)
Cash Flows from Financing Activities		
Principal payments on mortgages payable	(24,928)	(22,082)
Net Cash used by Financing Activities	(24,928)	(22,082)
Net changes in unrestricted and restricted cash and cash equivalents	(214,385)	(516,593)
Unrestricted and restricted cash and cash equivalents, beginning of the year	1,758,998	2,275,591
Unrestricted and restricted cash and cash equivalents, end of the year	$ 1,544,613	$ 1,758,998

Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 14,182	$ 13,768

See accompanying notes.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2023 and 2022

NOTE A – NATURE OF ORGANIZATION

Organization: Community Assistance Center ('CAC' or 'the Organization') is committed to strengthening lives and stabilizing families in Dunwoody and Sandy Springs by preventing homelessness, alleviating hunger and working with neighbors to achieve greater self-sufficiency. The Organization provides emergency assistance for food, clothing and shelter when families and individuals face financial crises and struggle to provide for their basic needs. The Organization helps clients navigate other programs available to them and offer support for the essential needs of youth. The Organization also works with adults to gain new skills and take advantage of better employment opportunities and improve economic stability. As the cornerstone of the human services network in the northern perimeter area, the Organization plays a vital role in community stability.

The Organization has a track record of success in Homeless and Hunger prevention due to the Organization's: 1) understanding of the needs of individuals and families through the assessment process, 2) holistic approach to case management, 3) offering of a comprehensive range of essential services and 4) coordination of additional resources available through other providers. All of which help clients stabilize their households and improve their financial situation. Today, the Organization works with 28 congregations, businesses, schools, the cites of Dunwoody and Sandy Springs, Fulton County, private foundations, United Way, and many dedicated individuals as well as strategic partners such as The Atlanta Community Food Bank, Second Helpings Atlanta, and Goodwill Career Services to support and help strengthen financially vulnerable members of the community. In 2023 the Organization served 9,000 individuals from 3,800 households. Those services included preventing 962 evictions and distributing 1,000,000 pounds of food through three food pantries.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Financial Statement Presentation: As required by the "Financial Statements of Not-For-Profit Organizations" topic of FASB Accounting Standards Codification, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization had net assets with donor restrictions of $870,398 and $1,231,481 on December 31, 2023 and 2022, respectively.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Donated Services: Numerous volunteers have donated significant amounts of time to CAC’s specific assistance programs and fund-raising events. No amounts have been reflected in the financial statements for these donated services because they do not meet the criteria for recognition under Financial Accounting Standards Board ASC 958-605, “Revenue Recognition” of Not-for Profit Entities.

Adoption of New Accounting Standard: On January 1, 2023, the Community Assistance Center adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 326, Financial Instruments—Credit Losses, using the modified retrospective approach. ASC 326 requires entities to measure expected credit losses on financial instruments measured at amortized cost and certain off-balance-sheet credit exposures. After a comprehensive analysis and evaluation, management determined that the adoption of ASC 326 did not result in any material impact on the Organization’s financial statements. Specifically, there were no significant changes or adjustments to the statement of financial position, no material impact on the statement of activity for the reporting periods presented, and no cumulative effect adjustment to net assets as of the adoption date. The assessment considered the nature and extent of the financial instruments such as Promises to Give held by the Organization, historical credit loss experience, current economic conditions, and reasonable forecasts about future economic conditions. The Organization will continue to monitor and evaluate the credit risk associated with its financial instruments and will update its disclosures as necessary in future reporting periods. Management has concluded that the adoption of ASC 326 had no effect on the Organization's financial position, results of operations, or cash flows for the reporting periods presented.

Promises to Give: The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. CAC determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Substantially all amounts promised in the past have been collected; therefore, the Organization anticipates all pledges to give will be collected and no allowance for uncollectible pledges has been recorded.

Income Tax Status: The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is required. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements during the year ended December 31, 2023, or any tax year still open to taxing authorities.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Functional Allocation of Expenses: The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Property and Equipment: Acquisitions of property and equipment in excess of $500 are capitalized. Property and equipment are recorded at cost, if purchased, or at estimated market value, if received by contribution. Depreciation is calculated over the estimated useful lives, ranging from 3 to 39 years of the respective assets using a straight-line method.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Loan Costs: In 2021, the Organization entered into a loan agreement to refinance preexisting debt. Outstanding preexisting loan costs were fully amortized in 2021. The new loan costs were $8,033, which are being amortized on a straight-line basis over the life of the loan which approximates the interest yield method. Amortization expense was $536 in both 2023 and 2022.

Annual amortization expense is expected to be $536 in future years. In the statement of functional expenses, this amount is included within “depreciation and amortization.”

Revenue Recognition: The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest 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 met.

All unconditional contributions and grants are considered to be without donor restriction unless specifically restricted by the donor or grantor for a specific program, purpose or time period. Amounts received that are restricted by the donor or grantor for a specific program, purpose, or for future periods are reported as increases to net assets with donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Additionally, the Organization is engaged in the sale of lightly used clothing and household items to customers in its Thrift Store. Revenue is earned at the time the customer receives their goods.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor restricted net assets were available at December 31, 2023 and 2022, for the following purposes:

Fund Description	2023	2022
Financial Assistance	$ 294,758	$ 339,728
Capital Campaign Fund	-	297,967
Youth Enrichment Program Fund	139,775	122,650
City of Sandy Springs	112,962	110,960
Pantry Fund	92,684	86,399
Dunwoody City	56,122	96,709
Education/Employment	43,509	30,000
Tamara Carrera Legacy Fund	38,526	38,526
Shumard Holidays	30,649	30,322
Fulton County Grants	28,941	60,530
Volunteer Income Tax Assistance	10,000	1,500
ACFB Capital Fund	-	13,140
Couchman Fund-Thrift Boutique	6,193	-
A Hand Up Foundation	6,900	-
Thrift Store	5,000	-
Sandy Springs Society	4,379	3,050
Total	$ 870,398	$ 1,231,481

NOTE C – INVENTORY AND DONATED GOODS

Clothing and household items are valued at thrift store prices and food is valued at an average cost determined by periodic sampling at various online sources. Donated gift cards are recorded at face amount. The estimated value of donated goods received and recognized as revenue by CAC was $1,881,197 and $1,322,628, in 2023 and 2022, respectively.

NOTE D – CONCENTRATIONS

The Organization received approximately 55% of its total cash contributions and grants during the year ended December 31, 2023 from 26 donors and granting organization. For the year ended December 31, 2022, 50% of its total cash contributions and grants were received from 95 donors and granting organizations.

NOTE E – LIQUIDITY AND AVAILABILITY

Liquid assets are considered financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position. The Organization had $992,699 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's financial assets available within one year of the balance sheet date for designated expenditures are as follows:

	2023	2022
Cash and cash equivalents	$ 1,544,613	$ 1,758,998
Promises to give - current portion	318,484	252,500
Total liquid assets	1,863,097	2,011,498
Less current assets with donor restrictions	(870,398)	(1,231,481)
Financial assets available to meet cash needs within one year	$ 992,699	$ 780,017

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2023	2022
Building - Roswell Rd.	$ 2,575,829	$ 2,532,901
Building - Hightower	1,537,278	1,226,059
Leasehold Improvements - Northwood	422,183	422,183
Machinery and equipment	201,231	201,231
Vehicles	89,327	89,327
Furniture and fixtures	28,834	28,834
Software	8,615	8,615
Satellite building improvement	8,075	8,075
Less accumulated depreciation	(1,433,942)	(1,182,549)
Total	$ 3,437,430	$ 3,334,676

Depreciation expense for the year ended December 31, 2023 and 2022, was $251,393 and $210,553, respectively. In the statement of functional expenses, this amount is included within "depreciation and amortization."

NOTE G – FAIR VALUE MEASUREMENTS

The Organization adopted SFAS No. 157, "Fair Value Measurements," which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices (level 1) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or, inputs that are derived principally from, or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability. There were no Level 2 investments.

NOTE G – FAIR VALUE MEASUREMENTS – Continued

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There were no Level 3 investments.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair market values for the Organization's mortgages payable are not readily determinable and are assumed to be materially different than the carrying value based on current market conditions. The Organization believes that determining the fair market value of the mortgages payable would be cost prohibitive.

The estimated fair value of donated goods is discussed in Note D. All other financial instruments are carried at amounts that approximate estimated fair value.

NOTE H - OPERATING LEASES

On January 1, 2022, the Organization adopted the requirements of Accounting Standards Update 2016-02, Leases (Topic 842) ("ASC 842"), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The new standard requires the recognition of a right-of-use ("ROU") asset and lease liability on the statement of financial position. The new standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Under ASC 842, the Organization uses three primary accounting provisions to classify transactions as financing or operating leases. Leases meeting any of these conditions are accounted for as finance leases, those that meet none, as operating leases.

1. Review of the lease term to determine if it is for the major part of the economic life of the underlying asset, defined as greater than 75%
2. Review of the present value of the lease payments to determine if they are equal to or greater than substantially all of the fair market value of the equipment at the inception of the lease, defined as greater than 90%.
3. Review of the lease agreement to determine if there is an option to purchase the underlying asset that the Company is reasonably certain to exercise, or if the ownership of the underlying asset transfers to the Company at the end of the lease term.

Upon review of the conditions listed above, the Organization has determined that all of its leases meet the criteria to be classified as operating leases. CAC's leases are required to be included on the Statement of Financial Position under FASB ASC 842.

NOTE H - OPERATING LEASES – Continued

As a result, adopting FASB ASC 842 had no impact on the prior year statement of financial position, and because these leases are operating leases, the adoption of this standard has no impact on the Organization's results of operations.

CAC has three operating leases: two for buildings and one for certain office equipment. The Organization's real estate leases have remaining lease terms of two to five years, which include options to extend the leases. CAC's office equipment lease has a term of four years ending in 2026. Rental expenses for the real estate and office equipment for the year ended December 31, 2023 and 2022 was $61,566 and $62,672, respectively.

The Organization adopted ASC 842, using the modified retrospective approach with January 1, 2022, as the date of initial adoption. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification.

As a result of adopting the new standards effective January 1, 2022, the Organization recorded additional net lease assets and corresponding lease liabilities of approximately $131,500. Adoption of the new standard did not materially impact the Organization's change in net assets, cash flows or liquidity.

As of December 31, 2023, the right-of-use (ROU) assets had a balance of $105,685, as shown in noncurrent assets on the statement of financial position; the operating lease payable is included in current liabilities, $59,021 and noncurrent liabilities, $46,768.

The Organization's weighted average lease liability for its operating leases is approximately $49,000 and weighted average discount rate for finance leases is 3.36% as of December 31, 2023. The weighted average remaining lease term is 2.16 years.

Future minimum lease payments and reconciliation to the statement of financial position at December 31, 2022, are as follows:

Year	Amount
2024	61,670
2025	29,930
2026	18,229
Total future undiscounted lease payments	109,829
Less: interest component	(4,040)
Lease liabilities	$105,789

NOTE J – MORTGAGES PAYABLE

On December 30, 2021, CAC refinanced its existing mortgage loans with a new loan from a financial institution. The outstanding principal balance due on the new loan as of December 31, 2023, was $416,878. This loan is a 15-year term and has a fixed interest rate of 3.25% and is secured by the property held on Roswell Road. The payments of principal and interest are $3,259 per month.

Aggregate maturities of long-term debts for the years ending December 31 follows:

2024	$	25,963
2025		26,819
2026		27,704
2027		28,618
2028		29,562
2029 and thereafter		278,152
Total	$	416,818

NOTE K– SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred between December 31, 2023, and the date of the auditor's report, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements.