

CENTRO UNIDO LATINO-AMERICANO

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Centro Unido Latino-Americano

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centro Unido Latino-Americano
Marion, North Carolina

Opinion

We have audited the accompanying financial statements of Centro Unido Latino-Americano (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centro Unido Latino-Americano as of June 30, 2024, and the changes in its net assets and its cash flows for the year 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Centro Unido Latino-Americano 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.

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 Centro Unido Latino-Americano's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 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, including omissions, 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 Centro Unido Latino-Americano'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 Centro Unido Latino-Americano'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.

Carliss & Solomon, PLLC

Asheville, North Carolina
October 1, 2025

Centro Unido Latino-Americano
Statement of Financial Position
As of June 30, 2024

Assets

Current Assets

Cash and Cash Equivalents	\$	665,305
Grants Receivable		1,356,667
Total Current Assets		2,021,972

Long-Term Assets

Property and Equipment, Net		32,192
Right of Use Operating Lease Asset		44,086
Total Long-Term Assets		76,278

Total Assets	\$	2,098,250
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	13,478
Operating Lease Liability, Current Portion		3,448
Payroll Liabilities		17,473
Total Current Liabilities		34,399

Long-Term Liabilities

Operating Lease Liability, Net of Current Portion		40,638
Total Long-Term Liabilities		40,638
Total Liabilities		75,037

Net Assets

Without Donor Restrictions	\$	993,824
With Donor Restrictions		1,029,389
Total Net Assets		2,023,213

Total Liabilities and Net Assets	\$	2,098,250
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See accompanying disclosures and independent accountants' review report.

Centro Unido Latino-Americano

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenue</u>			
Grants	\$ 745,001	\$ 827,650	\$ 1,572,651
Contributions	45,385	-	45,385
Program Service Revenue	60,206	-	60,206
Program Events	11,838	-	11,838
In Kind Contributions	33,427	-	33,427
Other Income	9	-	9
Net Assets Released from Restrictions	573,195	(573,195)	-
Total Support and Revenue	1,469,061	254,455	1,723,516
<u>Expenses</u>			
Program Services	722,339	-	722,339
Management and General	131,532	-	131,532
Fundraising	70,809	-	70,809
Total Expenses	924,680	-	924,680
Change in Net Assets	544,381	254,455	798,836
Net Assets, Beginning of Year	449,443	774,934	1,224,377
Net Assets, End of Year	\$ 993,824	\$ 1,029,389	\$ 2,023,213

See accompanying disclosures and independent accountants' review report.

Centro Unido Latino-Americano
Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
<u>Personnel</u>				
Salaries	\$ 326,673	\$ 65,335	\$ 43,557	\$ 435,565
Payroll Taxes	26,632	5,327	3,551	35,510
Total Personnel	353,305	70,662	47,108	471,075
Contract Services	106,191	28,290	9,901	144,382
Client Financial Help	52,297	-	-	52,297
Dues and Subscriptions	192	3,644	-	3,836
Events and Programming	51,885	-	2,686	54,571
Insurance	4,039	4,037	-	8,076
Occupancy	3,780	1,350	270	5,400
Office Supplies and Equipment	2,199	12,994	10	15,203
Other Expenses	750	2,157	2,980	5,887
Phone and Internet	6,094	717	358	7,169
Professional Fees	43,115	6,405	-	49,520
Promotion and Marketing	11,245	-	7,496	18,741
Repairs and Maintenance	337	1,276	-	1,613
Sponsorships	8,437	-	-	8,437
Staff Development	3,827	-	-	3,827
Travel	33,276	-	-	33,276
Subtotal Expenses	680,969	131,532	70,809	883,310
In Kind Expense	33,427	-	-	33,427
Depreciation	7,943	-	-	7,943
Total Expenses	\$ 722,339	\$ 131,532	\$ 70,809	\$ 924,680

See accompanying disclosures and independent accountants' review report.

Centro Unido Latino-Americano

Statement of Cash Flows

Year Ended June 30, 2024

Cash Flows from Operating Activities

Change in Net Assets	\$	798,836
Adjustments to reconcile change in net assets to net cash provided or (used) by operating activities:		
Depreciation		7,943
(Increase)/Decrease in Operating Assets		
Grants Receivable		(898,619)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable		4,380
Grants Payable		(121,500)
Payroll Liabilities		3,104
Net Cash Used by Operating Activities		<u>(205,856)</u>

Cash Flows from Investing Activities

Purchases of Equipment		<u>(4,185)</u>
Net Cash Used by Investing Activities		<u>(4,185)</u>
Net Change in Cash and Cash Equivalents		(210,041)
Cash and Cash Equivalents, Beginning of Year		<u>875,346</u>
Cash and Cash Equivalents, End of Year	\$	<u>665,305</u>

See accompanying disclosures and independent accountants' review report.

Centro Unido Latino-Americano
Disclosures to the Financial Statements
Year Ended June 30, 2024

1. Description of the Organization, Corporate and Tax-Exempt Status

Centro Unido Latino-Americano (CULA) is a non-profit organization serving the Latino community and other underserved populations across Western North Carolina. Dedicated to building a more inclusive and equitable region, CULA offers culturally responsive programs that promote health equity, educational opportunity, workforce development, civic engagement and access to essential resources.

The organization provides bilingual mental health support, youth leadership initiatives, education opportunities for adults and children, access to food, and financial assistance to families facing urgent needs. CULA also advances language justice, supports immigrant rights, and advocates for system change to eliminate barriers and uplift the voices of historically marginalized communities.

Corporate and Tax-Exempt Status

The organization was incorporated in 2011 as a not-for-profit corporation under the laws of the state of North Carolina and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Contributions to the organization qualify for the charitable contribution deduction under Section 170(b)(1)(a). The organization is classified as a publicly supported organization under Section 509(a)(1). The organization receives its support principally through contributions and grants.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

Financial Statement Presentation

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net Assets With Donor Restrictions - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Grants Receivable

Contributions and grants receivable, without conditions, and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The organization has adopted a capitalization threshold is \$1,000 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

Contributions and Grants

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to make a donation in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

Leases

The Organization follows (ASU) *No. 2016-02 Leases* (Topic 842) as management believes the standard improves the usefulness and understandability of the organization's financial reporting. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases, except for short-term leases less than 12 months. The standard can have a material impact on the organization's statement of financial position but does not have a material impact on the statement of activities and cash flows.

Program Service Revenue

In accordance with U.S. GAAP, the organization follows ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Program service revenue includes reimbursement of program services.

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. When recognized, contributed services are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require managements allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

CULA is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2024 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

3. *Liquidity and Availability*

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

<u>As of June 30:</u>	<u>2024</u>
Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 665,305
Grants Receivable	<u>1,356,667</u>
Financial assets available to meet general expenditures over the following year	<u>\$ 2,021,972</u>

4. Cash and Cash Equivalents

Cash and cash equivalent amounts are shown in the list below.

<u>As of June 30:</u>	<u>2024</u>
Checking Accounts	\$ 663,884
Undeposited Funds	1,421
Total Cash and Cash Equivalents	<u>\$ 665,305</u>

As of June 30, 2024, the organization had exceeded the FDIC federally insured limit in cash accounts by \$416,353. Management believes the organization is not exposed to any significant credit risk on its cash balances.

5. Property and Equipment

Property and equipment consists of the following:

<u>As of June 30:</u>	<u>2024</u>
Vehicles	\$ 35,950
Office Equipment	4,185
Less: Accumulated Depreciation	(7,943)
Office Equipment, Net	<u>\$ 48,078</u>

6. Lease Commitments

CULA utilizes the basement of the First Presbyterian Church of Marion as office space and holds meetings in the church's Fellowship Hall. In October 2023, the church entered into a 10-year lease agreement with CULA. The lease agreement is reflected as right-of-use asset and operating lease liability on the statement of financial position. The present value of the right-of-use asset and lease liability uses an accepted risk-free discount rate of 4.59% and accounts for lease and non-lease components as a single lease component. The assets and liabilities reflected on the financial statements for the right-of-use asset and operating lease liability were \$44,086 as of June 30, 2024. Lease payments to utility costs of \$450 for use of the basement space are collected monthly. The remaining lease term is 123 months. Required lease liability for the remainder of the lease term is as follows:

<u>For the Year Ending June 30:</u>	
2025	\$ 5,400
2026	5,400
2027	5,400
2028	5,400
Thereafter	33,750
Total Undiscounted Cash Flows	<u>55,350</u>
Less: Present Value Discount	(11,264)
Total Lease Liabilities	<u>\$ 44,086</u>

The church also requires CULA to pay \$25 per use of the fellowship hall; this variable payment is not included in the Lease Commitment above. Office space lease expense is \$5,400, and fellowship hall use expense is \$725 for the year ended June 30, 2024.

7. Net Assets with Donor Restrictions

Net Assets with donor restrictions were restricted for the following purposes as of June 30, 2024:

<u>As of June 30:</u>	<u>2024</u>
Latino Food & Health Advocacy	\$ 298,811
Mental Health Programs and Services	147,001
Early Childhood & Youth Education	252,258
Community Health Worker Program	186,651
Food and Farm Workers Relief Program	70,139
Active Life and VAMOS Programs	63,617
Summer Intern Program	10,912
Total Net Assets With Donor Restrictions	<u>\$ 1,029,389</u>

8. Subsequent Events

Hurricane Helene was a devastating tropical cyclone that caused widespread destruction and fatalities across the Southeastern United States in late September 2024 including many parts of Western North Carolina. The full impact of the storm continues to evolve as of the date of this report. Management is actively monitoring the effects on the organization's financial condition, liquidity, operations, suppliers, industry, and workforce.

Subsequent events have been evaluated through October 1, 2025, which is the date the financial statements were available to be issued.