

Acacia Center for Justice, Inc.

Financial Statements

December 31, 2024



Independent Auditors' Report

**Board of Trustees
Acacia Center for Justice, Inc.**

Opinion

We have audited the accompanying financial statements of Acacia Center for Justice, Inc. ("Acacia"), which comprise the statement of financial position as of December 31, 2024 and the related statement of activities, functional expenses and cash flows for the year 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 Acacia as of December 31, 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 Acacia and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 Acacia'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 are considered material if there is 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 our audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 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 Acacia'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 Acacia'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.

PKF O'Connor Davies, LLP

October 22, 2025

Acacia Center for Justice, Inc.

Statement of Financial Position
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 37,768,900
Contracts receivable	75,390,043
Contributions and grants receivable	31,380
Prepaid expenses	722,095
Advances to Subgrantees	163,177
Other assets	29,792
Right of use asset	177,370
Property and equipment, net	74,882
Intangibles, net	<u>107,499</u>
	<u>\$ 114,465,138</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 69,071,259
Accrued payroll and vacation	1,782,124
Refundable advances	3,335,597
Contract liabilities	126,323
Lease liabilities	181,791
Deferred revenue	<u>2,402,229</u>
Total Liabilities	<u>76,899,323</u>

Net assets without donor restrictions	<u>37,565,815</u>
	<u>\$ 114,465,138</u>

See notes to financial statements

Acacia Center for Justice, Inc.

Statement of Activities
Year Ended December 31, 2024

REVENUE AND SUPPORT

Contract revenue	\$ 347,944,434
Contributions and grants	6,050,264
Contributed services	141,359
Other income	606
Total Revenue and Support	<u>354,136,663</u>

EXPENSES

Program services	319,838,855
Management and general	6,416,900
Fundraising	702,457
Total Expenses	<u>326,958,212</u>

Change in Net Assets	27,178,451
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NET ASSETS

Beginning of year	<u>10,387,364</u>
End of year	<u>\$ 37,565,815</u>

See notes to financial statements

Acacia Center for Justice, Inc.

Statement of Functional Expenses
Year Ended December 31, 2024

	Capacity Building	Legal Access and Orientation	Legal Representation	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 653,259	\$ 3,935,910	\$ 8,742,418	\$ 13,331,587	\$ 4,148,436	\$ 401,748	\$ 17,881,771
Payroll taxes	52,554	302,897	680,317	1,035,768	299,875	30,043	1,365,686
Fringe benefits	113,208	732,807	1,586,957	2,432,972	760,739	81,416	3,275,127
Rent expenses	2,236	14,047	29,353	45,636	14,201	1,375	61,212
Subcontractor services	23,590,580	26,766,741	240,667,079	291,024,400	-	-	291,024,400
Subgrantee award	-	-	4,996,131	4,996,131	-	-	4,996,131
Professional fees (including contributed services of \$141,359)	1,962,392	821,962	2,647,691	5,432,045	641,162	109,113	6,182,320
Conferences and travel	193,016	201,425	329,161	723,602	292,270	58,847	1,074,719
Office expenses	4,196	34,157	54,774	93,127	149,793	1,760	244,680
Commodities, supplies, and minor equipment	7,203	30,392	53,316	90,911	18,118	4,242	113,271
Maintenance and systems	11,072	354,571	219,297	584,940	75,571	12,348	672,859
Telecom and internet	1,810	11,438	23,853	37,101	11,492	1,113	49,706
Depreciation and amortization	320	2,008	4,196	6,524	2,226	-	8,750
Miscellaneous	209	1,360	2,542	4,111	3,017	452	7,580
Total Expenses	<u>\$ 26,592,055</u>	<u>\$ 33,209,715</u>	<u>\$ 260,037,085</u>	<u>\$ 319,838,855</u>	<u>\$ 6,416,900</u>	<u>\$ 702,457</u>	<u>\$ 326,958,212</u>

See notes to financial statements

Acacia Center for Justice, Inc.

Statement of Cash Flows
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 27,178,451
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	5,639
Amortization	3,111
Amortization of right of use asset	33,903
Changes in operating assets and liabilities	
Contracts receivable	(33,927,489)
Contributions and grants receivable	930,332
Prepaid expenses	(475,190)
Advances to Subgrantees	2,535,498
Other assets	(2,232)
Accounts payable and accrued expenses	38,533,224
Accrued payroll and vacation	1,085,136
Refundable advances	(875,386)
Contract liabilities	(3,712,399)
Deferred revenue	633,563
Lease liabilities	(29,482)
Net Cash from Operating Activities	<u>31,916,679</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(80,521)
Purchase of intangibles	<u>(110,610)</u>
Net Cash from Investing Activities	<u>(191,131)</u>
Net Change in Cash and Cash Equivalents	31,725,548

CASH AND CASH EQUIVALENTS

Beginning of year	<u>6,043,352</u>
End of year	<u>\$ 37,768,900</u>

See notes to financial statements

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

1. Organization

Acacia Center for Justice, Inc. ("Acacia") is a non-profit created in December 2021 through a collaboration between the Vera Institute of Justice (Vera) and the Capital Area Immigrants' Rights Coalition (CAIR Coalition). CAIR Coalition was the sole member. Operations began in January 2022. The objective of Acacia is to expand on Vera's work over the past twenty years in providing legal support and representation to immigrants facing deportation through the development, coordination, and management of national networks of legal services providers serving immigrants across the country. Acacia's goals are two-fold: to support immigrant legal services and defense networks to provide exceptional legal services to immigrants and to advocate for the expansion of these programs and the infrastructure critical to guaranteeing immigrants access to justice, fairness, and freedom.

Independence Agreement

Effective August 7, 2023, CAIR Coalition and Acacia entered into an independence agreement which set forth the understandings between CAIR Coalition and Acacia regarding Acacia's ultimate independence from CAIR Coalition as well as the continuing relationship between the entities. The Independence Date was December 31, 2023.

Programs

The programs of Acacia fall into the following three areas:

Legal Access and Orientation Programs deliver legal orientations and self-help workshops about immigration court procedures to adults, adult caregivers of children, and families in Department of Homeland Security (DHS) custody and in removal proceedings to help them better understand what to expect in court. These programs are comprised of:

- Legal Orientation Program (LOP) delivers legal orientations and self-help workshops about immigration court procedures to adult individuals in DHS custody to help them prepare to represent themselves in immigration court.
- Legal Orientation Program for Custodians of Unaccompanied Children (LOPC) provides legal orientation presentations to adult caregivers (custodians/sponsors) of non-detained unaccompanied children in Executive Office for Immigration Review (EOIR) removal proceedings.
- Immigration Court Helpdesk (ICH) delivers legal orientations and self-help workshops to non-detained individuals in removal proceedings to help them better understand what to expect in immigration court and prepare to represent themselves.
- Family Group Legal Orientation Program (FGLOP) provides legal orientation presentations and self-help workshops to family groups in removal proceedings to help them better understand what to expect in court and prepare to represent themselves.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

1. Organization (*continued*)

Programs (continued)

Legal Representation Programs provide legal counsel to adults and children in various contexts.

These programs are comprised of:

- National Qualified Representative Program (NQRP) provides qualified representatives (attorneys and others accredited to provide legal defense) in immigration court to unrepresented detained adults who are found by an Immigration Judge or The Board of Immigration Appeals to be mentally incompetent to represent themselves in immigration proceedings.
- Children's Counsel Initiative (CCI) provides legal representation to children who are in immigration proceedings in designated immigration court locations.
- Unaccompanied Children Program (UCP) provides know your rights presentations and legal screenings to all children in Office of Refugee Resettlement (ORR) custody, as well as representation to children in and released from ORR custody.
- Litigation Support Fund (LSF) provides a source of funding to support the legal cases of unaccompanied children who are placed in facilities and locations outside of the existing network of legal service providers and to challenge custody determinations and other strategic litigation advocacy.

Through Capacity Building Programs, Acacia works with partners to expand organizational resources to meet demand for legal services throughout the United States.

The Programs are comprised of:

- Attorney Recruitment Project places experienced and new attorneys in legal service providers to bolster the capacity of these critical services.
- Policy and Outreach encompass policy analysis, research, lobbying, and government relations to advance and grow public support for Acacia's work.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (*continued*)

Classification of Net Assets

The financial statements of Acacia have been prepared in accordance with U.S. GAAP, which requires Acacia to report information regarding its financial position and activities according to the following net asset classification:

Without donor restrictions – consist of resources available for the general support of Acacia's operations. Net assets without donor restrictions may be used at the discretion of Acacia's management and Board of Trustees.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require Acacia to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Acacia considers all highly liquid investments which have a maturity of three months or less at time of purchase to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Depreciation of equipment is recorded on a straight-line basis over the estimated useful lives of the assets, which is 3 years. Expenditures over \$5,000 with an estimated useful life of more than one year are capitalized to the respective asset accounts.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount of the asset is not recoverable, the value is written down to the asset's fair value less costs to sell.

Intangibles

Costs related to the initial research on software procurement and/or implementation are expensed as incurred. Costs incurred during the software customization and implementation phase are capitalized and amortized from the implementation date using the straight-line method over an estimated useful life based on the software service terms.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (*continued*)

Contracts Receivable

Contracts receivable consists of amounts due for services provided primarily under government contracts. Amounts under these contracts are generally collected within ninety days of billing. Accounts receivable amounts are presented in the statement of financial position at the net amount expected to be collected. Acacia uses the loss-rate method to estimate expected credit losses based on historical experience, current conditions, and reasonable and supportable forecast about collectability. Historical credit loss experience provides the basis for the estimation of expected credit losses and adjustments are made for differences in current and forecasted risk characteristics and economic conditions. There was no allowance for credit losses and no provision for expected credit losses as of December 31, 2024, and there were no write-offs or recoveries of any contracts receivable during the year ended December 31, 2024.

Contributions and Grants Receivable

Contributions and grants receivable consists primarily of amounts due from donors that are not received by Acacia at year end. Acacia reviews the collectability of contributions and grants receivable on a timely basis. No allowance for doubtful accounts has been established as management believes all amounts are collectible. Unconditional contributions and grants receivable that are greater than one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective promise to give originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. All contributions and grants receivable are due within one year.

Contract Liabilities

Contract liabilities represent amounts collected that must be returned to the funder or credited on current billings. The balance relates to contract modifications, rate changes, etc. Subsequent to December 31, 2024, all amounts had been returned or credited to the funder.

Deferred Revenue

Deferred revenue represents amounts received on contract in advance of completion of the services.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Contract Revenue

Contract revenue includes immigration legal services provided by Acacia under fixed-price and time and material contracts. Contract revenue is reported at the amount that reflects the consideration to which the Acacia expects to be entitled in exchange for providing services under the contract. Fixed-price contracts are recognized ratably over the contract period, as services are provided. Time and material contracts are recognized over time as incurred, which is representative of the services provided. The transaction price associated with time and material contracts is based on fixed hourly rates charged to the customer and may vary depending on the actual time expended by Acacia and other direct costs, such as travel expenses incurred. Contract activities and expenditures are subject to audit and acceptance by the funding agency and, as a result of such audit, adjustments could be required. However, management does not anticipate any material adjustments.

The guidance requires Acacia to not recognize revenue until it is probable of collection. Based on strong collection experience, Acacia has concluded that all revenue recognized is probable of collection.

The ending and beginning contract balances were as follows:

	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract assets	\$ -	\$ -
Contract liabilities	126,323	3,838,722
Contract liabilities (deferred revenue)	2,402,229	1,768,666
Contracts receivable	75,390,043	41,462,554

Contributions and Grants

Contributions and grants, including unconditional promises to give, are reported as revenues in the period received. Acacia reports unconditional gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions for which the restrictions are met in the year received are considered without donor restrictions for financial statement purposes.

Conditional contributions and grants are reported as refundable advances until the conditions have been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition is met. Conditional contributions and grants with donor restrictions are considered contributions and grants without donor restrictions if the conditions and restrictions are met in the same period.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (*continued*)

Contributions and Grants (continued)

Contributions that the donor requires to be used to acquire long-lived assets (e.g. building improvements, furniture, fixtures and equipment) are reported as with donor restrictions. Acacia reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

All contributed services for the year ended December 31, 2024 consist of government contract counseling fees utilized for program and supporting activities without donor restrictions and are valued at the estimated fair value based on current rates for similar services.

Functional Expenses Allocation

Certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated includes salaries, fringe benefits, payroll taxes, rent, professional fees, office expense, commodities, supplies, and minor equipment, maintenance and systems, telecom and internet and depreciation and amortization, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

Advertising

Advertising is expenses as it is incurred.

Leases

Acacia leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU assets") and operating lease liabilities on the accompanying statement of financial position.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit borrowing rate, Acacia uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend the lease and when it is reasonably certain that Acacia will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for the lease payments is recognized on a straight-line basis of the lease term.

Acacia's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Acacia considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed as payments when incurred.

Accounting for Uncertainty in Income Taxes

Acacia recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Acacia had no uncertain tax positions that would require financial statement recognition or disclosure. Years since inception remain open to examination.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 22, 2025.

3. Liquidity and Availability of Financial Assets

Acacia's financial assets reduced by amounts not available for general use within one year, due to contractual or donor-imposed restrictions, are composed of the following at December 31, 2024:

Cash and cash equivalents	\$ 37,768,900
Contributions and grants receivable	31,380
Contracts receivable	<u>75,390,043</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 113,190,323</u>

As part of Acacia's liquidity management, Acacia monitors the status and collectability of its receivables on a regular basis. Contributions are also solicited on a regular basis to increase revenue and support and to improve cash flow.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

4. Line of Credit

Acacia has a variable rate revolving line of credit with a bank to provide funding for working capital. The available line of credit is \$1.5 million and was due on July 1, 2024. Interest is due monthly and accrues at the Wall Street Journal prime rate plus 0.25 percent. The line of credit is secured by substantially all the assets of Acacia. There were no advances under the line of credit in 2024. In July of 2024, the line of credit was extended through October 31, 2025.

5. Concentration of Credit Risk

As of December 31, 2024, approximately 100% of contracts receivable were due from two funding sources.

For the year ended December 31, 2024, two funding sources accounted for 100% of the contract revenue and one donor accounted for 97% of the contributions and grants support.

Acacia maintains cash balances at financial institutions in the Washington, DC, metropolitan area. The accounts at these institutions are insured by the federal Insurance Corporation (FDIC) up to certain limits. At times during the year, Acacia's cash balances exceeded the FDIC insurance amounts. Management believes the risk in these situations to be minimal.

6. Property and Equipment

Property and equipment, net, consist of the following at December 31, 2024:

Equipment	\$ 80,521
Accumulated depreciation	<u>(5,639)</u>
	<u>\$ 74,882</u>

7. Intangibles

Intangibles, net, consist of the following at December 31, 2024:

Software	\$ 110,610
Accumulated amortization	<u>(3,111)</u>
	<u>\$ 107,499</u>

8. Retirement Plan

Acacia sponsors a 403(b) plan (the Plan) for its employees. The Plan covers substantially all full-time employees who have completed one consecutive month of service. For the year ended December 31, 2024, Acacia contributed approximately \$800,000 to the Plan.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

9. Related Party Transactions

Through July 2024, a member of Vera's management served as a trustee for Acacia. In addition, Acacia's line of credit is guaranteed by Vera.

Another trustee serves as Executive Director of a subcontractor. During the year ended December 31, 2024, the subcontractor provided services to Acacia for approximately \$15.5 million. In addition, as of December 31, 2024, Acacia had a balance due to this subcontractor of approximately \$1.5 million.

10. Conditional Grants

As of December 31, 2024, Acacia has received conditional grants with a total remaining balance of approximately \$7.5 million. The conditional amount has not been recorded as grants and contributions revenue, as the required criteria under U.S. GAAP has not been met as of December 31, 2024. Acacia must incur expenses related to the project.

11. Legacy Cases

With the formation of Acacia, Vera and Acacia entered into a separate fixed price contract whereby Acacia would assume 649 legacy NQRP Nationwide Policy (NP) and Counsel for Children (CC) cases for a fixed fee of approximately \$2.7 million. Expenditures for these cases exceeded the revenue in 2022. Acacia will continue to incur costs under this program for the next several years as cases are settled. Although there is not a contractual funding structure for this contract, Acacia considers the work to be integral to maintaining the support network necessary to service future clients. A portion of the fixed fee has been included in deferred revenue based on an estimate of the projected costs. At December 31, 2024, 357 cases are unsettled.

12. Advances to Subgrantees

During 2024, Vera and California Department of Social Services (CDSS) assigned a conditional contribution to Acacia which requires certain amounts to be advanced to subgrantees prior to the subgrantee incurring certain expenses. Upon assignment of the contract to Acacia, Vera and CDSS had advanced approximately \$4.1 million to the subgrantees. During the year, Acacia expensed approximately \$5 million of subgrantee awards based on actual expenses incurred.

Acacia Center for Justice, Inc.
Notes to Financial Statements
December 31, 2024

13. Commitments and Contingencies

On July 2, 2024, Acacia signed a lease for office space in New York City which has a lease term from July 22, 2024 through July 21, 2027.

The right-of-use asset associated with the lease above as of December 31, 2024 is shown below:

Right-of-use asset - operating lease	\$ 211,273
Less: accumulated amortization	<u>(33,903)</u>
	<u><u>\$ 177,370</u></u>

ROU assets obtained in exchange for operating lease obligations	\$ 211,273
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Cash paid for amounts included in the measurement of operating lease liabilities	\$ 33,266
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The discount rate on the lease is 4.58% for 2024.

Future minimum rental payments under the lease arrangement are as follows for the years ending December 31:

2025	\$ 75,781
2026	77,676
2027	<u>39,398</u>
Total Future Minimum Lease Payments	192,855
Less Imputed Interest	<u>(11,064)</u>
Total Operating Lease Liability	<u><u>\$ 181,791</u></u>

Rent expenses is as follows for the year ended December 31, 2024:

Operating lease, included in rent	\$ 37,687
Variable lease expense, included in rent	2,137
Other lease commitments, included in rent	<u>21,388</u>
	<u><u>\$ 61,212</u></u>

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