CASA LATINA

(A WASHINGTON NONPROFIT CORPORATION)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

TABLE OF CONTENTS

Page

Independent Auditors' Report ..... 1 – 2

Financial Statements:

Statements of Financial Position 3

Statements of Activities ..... 4 – 5

Statements of Functional Expenses ..... 6 – 7

Statements of Cash Flows 8

Notes to Financial Statements ..... 9 – 19

FINNEY, NEILL & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Casa Latina

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Casa Latina (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of Casa Latina as of December 31, 2025 and 2024, 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 (GAAS). 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 Casa Latina 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 Casa Latina'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 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 GAAS 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 GAAS, 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 Casa Latina'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 Casa Latina'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.

Finney, Neill & Company, P.S.

August 26, 2026
Seattle, Washington

CASA LATINA
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

Assets	2025	2024
Current assets:		
Cash and cash equivalents	$ 795,660	1,095,932
Investments	784,734	374,296
Grants receivable	65,609	72,551
Accounts receivable	594	1,830
Pledges receivable, current, net of allowances	196,879	183,143
Workers' funds	-	7,424
Prepaids and deposits	52,687	48,079
Total current assets	1,896,163	1,783,255
Property and equipment:		
Land	1,154,303	1,154,303
Building and improvements	3,977,288	3,894,832
Equipment	118,340	113,047
Software	134,338	134,338
Furniture and fixtures	53,548	53,548
Vehicles	46,198	46,198
Construction-in-progress	-	78,987
Less: accumulated depreciation and amortization	(1,592,382)	(1,474,537)
Total property and equipment, net	3,891,633	4,000,716
Pledges receivable, net of current portion and discounts	91,572	-
Total assets	$ 5,879,368	5,783,971
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 13,038	112,869
Payroll liabilities	96,307	119,436
Deferred revenues	253,834	109,576
Other current liabilities	3,277	123,109
Notes payable, current portion	13,522	13,045
Total current liabilities	379,978	478,035
Long term liabilities:		
Notes payable, long-term, net of current portion	575,741	589,313
Total liabilities	955,719	1,067,348
Net assets:		
Without donor restrictions	4,420,842	4,188,694
With donor restrictions	502,807	527,929
Total net assets	4,923,649	4,716,623
Total liabilities and net assets	$ 5,879,368	5,783,971

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

CASA LATINA
STATEMENT OF ACTIVITIES
Year ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Government grants	$ 730,558	-	730,558
Foundation grants	696,333	440,000	1,136,333
Contributions	413,102	-	413,102
Event revenue	147,227	-	147,227
In-kind revenue	12,595	-	12,595
Rental income	21,090	-	21,090
Fees for service	120,373	-	120,373
Other income (loss)	34,392	-	34,392
Net assets released from restrictions	465,122	(465,122)	-
Total support and revenue	2,640,792	(25,122)	2,615,670
Expenses:			
Program	1,592,077	-	1,592,077
Management and general	484,069	-	484,069
Fundraising	332,498	-	332,498
Total expenses	2,408,644	-	2,408,644
Increase (decrease) in net assets	232,148	(25,122)	207,026
Net assets - beginning of year	4,188,694	527,929	4,716,623
Net assets - end of year	$ 4,420,842	502,807	4,923,649

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

CASA LATINA
STATEMENT OF ACTIVITIES
Year ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Government grants	$ 789,638	-	789,638
Foundation grants	782,147	184,535	966,682
Contributions	441,092	-	441,092
Event revenue	131,440	-	131,440
In-kind revenue	47,373	-	47,373
Rental income	15,780	-	15,780
Fees for service	118,377	-	118,377
Other income	45,049	-	45,049
Net assets released from restrictions	436,693	(436,693)	-
Total support and revenue	2,807,589	(252,158)	2,555,431
Expenses:			
Program	1,917,095	-	1,917,095
Management and general	465,856	-	465,856
Fundraising	437,250	-	437,250
Total expenses	2,820,201	-	2,820,201
Increase (decrease) in net assets	(12,612)	(252,158)	(264,770)
Net assets - beginning of year	4,201,306	780,087	4,981,393
Net assets - end of year	$ 4,188,694	527,929	4,716,623

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

CASA LATINA

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2025

	Program	Management and General	Fundraising	Total
Payroll and related costs	$ 1,087,604	352,257	183,154	1,623,015
External contractors	3,128	491	27,129	30,748
Services, in-kind	-	12,595	-	12,595
Occupancy	74,155	11,511	5,665	91,331
Supplies	60,112	1,666	2,035	63,813
Technology, printing, and postage	25,256	7,272	4,296	36,824
Professional services	68,105	43,231	10,759	122,095
Event expenses	1,969	5,411	66,579	73,959
Travel	54,585	2,582	61	57,228
Insurance	58,509	9,683	4,765	72,957
Interest	11,446	1,894	932	14,272
Bad debt expense (recovery)	-	-	5,750	5,750
Other operating costs	52,700	19,836	13,676	86,212
Depreciation	94,508	15,640	7,697	117,845
Total expenses	$ 1,592,077	484,069	332,498	2,408,644

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

CASA LATINA

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024

	Program	Management and General	Fundraising	Total
Payroll and related costs	$ 1,233,829	234,064	221,182	1,689,075
External contractors	16,915	1,751	36,166	54,832
Services, in-kind	21,500	24,273	1,600	47,373
Occupancy	134,468	10,837	7,651	152,956
Supplies	73,169	3,306	4,539	81,014
Technology, printing, and postage	44,721	688	5,152	50,561
Professional services	249,669	63,091	65,675	378,435
Event expenses	2,342	558	75,922	78,822
Travel	45,551	460	141	46,152
Insurance	58,119	6,722	4,746	69,587
Interest	11,342	1,312	926	13,580
Bad debt expense (recovery)	-	-	(10,000)	(10,000)
Other operating costs	25,470	7,525	23,550	56,545
Depreciation	-	111,269	-	111,269
Total expenses	$ 1,917,095	465,856	437,250	2,820,201

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

CASA LATINA
STATEMENTS OF CASH FLOWS
Years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 207,026	(264,770)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	117,845	111,269
(Increase) decrease in assets:		
Grants and pledges receivable	(98,366)	371,912
Accounts receivable	1,236	1,170
Prepaids and deposits	(4,608)	(12,505)
Increase (decrease) in liabilities:		
Accounts payable	(99,831)	50,817
Other accrued liabilities	1,297	(149,384)
Net cash provided (used) by operating activities	124,599	108,509
Cash flows from investing activities:		
Purchases of fixed assets	(8,762)	(118,386)
Purchases of certificates of deposit	(410,438)	(17,036)
Net cash provided (used) by investing activities	(419,200)	(135,422)
Cash flows from financing activities:		
Payments on long-term debt	(13,095)	(13,786)
Net cash provided (used) by financing activities	(13,095)	(13,786)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(307,696)	(40,699)
Cash, cash equivalents, and restricted cash at beginning of year	1,103,356	1,144,055
Cash, cash equivalents, and restricted cash at end of year	$ 795,660	1,103,356
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and cash equivalents	$ 795,660	1,095,932
Workers' funds	-	7,424
Total cash, cash equivalents, and restricted cash on statement of cash flows	$ 795,660	1,103,356
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 14,272	13,580

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

NOTE 1 – NATURE OF ORGANIZATION

Casa Latina (the Organization) is a not-for-profit, 501(c)(3) organization formed in 1995. As a vibrant, immigrant worker rights organization, Casa Latina empowers low-wage Latino immigrants to move from economic insecurity to economic prosperity and to lift their voices to take action around public policy issues that affect them. Our vision is for the Latino community to participate fully in the economy and democracy of this country.

Casa Latina serves working age (18+) Latino immigrants, the majority of whom work as day laborers and domestic workers—the positions low wage Latino immigrants are most likely to fill after reaching the US. In 2025 and 2024, 64% and 45% of participants identify as men, 33% and 53% of participants identify as women, and 3% and 2% of participants identify as LGBTQ+, respectively.

Casa Latina strives to provide culturally relevant programs that are applicable to the lived experiences of the Latino day laborers and domestic workers we serve. We use the popular education model of collective leadership to design programs that draw directly from our members' stories and needs. Our programs are built around three pillars: Employment, Education, and Community Organizing. Current programs include:

Employment

The Day Worker Center, Casa Latina's hiring hall, connects participants on a daily basis with day labor and domestic work at fair wages. These temporary jobs build a path to more stable employment and provide participants with the financial stability and client-base they need to earn a living and to prepare for their next steps—whether that's finding safe housing, starting full-time work, or building their own business.

Education

Casa Latina offers a variety of classes that help participants develop the skills they need to be more employable, which in turn helps them climb out of poverty.

- English as a Second Language: Free English classes, taught five days a week, help participants navigate everyday life and employment in the United States.
- Workplace Skills: Job skills trainings on topics including moving, gardening, and environmentally safe ("green") cleaning give participants valuable skills to find and retain work.
- Workplace Safety: Safety trainings keep participants safe on the job and educate them on workplace hazards, ergonomics, etc.

Community Organizing

Because Casa Latina believes that those most affected by racial and socioeconomic inequities are those most qualified to propose solutions, members organize and take leadership within Casa Latina and in the community at large. For example:

- Every Friday evening, the women's leadership group Mujeres Sin Fronteras (Women without Borders) meets and provides participants with the opportunity to gain leadership skills and build community. Topics of trainings and discussion include self-esteem building; civil rights; domestic violence; public speaking; women's preventative health care; and household finances.

- Casa Latina provides know your rights trainings and has created a community-wide plan for rapid response to actions by immigration enforcement. We will continue looking for ways to defend and empower our community in the face of increased anti-immigrant sentiments.

These notes are an integral part of the financial statements.

NOTE 1 – NATURE OF ORGANIZATION, continued

In addition to directly serving the Latino community in King County, Casa Latina has national impact as a model day worker center whose programs, curricula, and operations have been shared and implemented at worker centers throughout the country.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America

Financial Statement Presentation
The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 958, *Not-for-profit Entities*. This Topic establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into net asset classes according to donor-imposed restrictions. Accordingly, the net assets of the Organization have been reported as follows:

- *Net assets without donor restrictions* are those currently available at the discretion of the Board for use in the activities of the Organization.

- *Net assets with donor restrictions* are those restricted by donors to be used for certain purposes or in future periods, and consisted of $502,807 and $527,929 as of December 31, 2025 and 2024, respectively.

Net assets with donor restrictions are created only by donor-imposed restrictions on the use of funds. All other net assets, including board-designated or appropriated amounts, are reported as part of the net assets without donor restrictions class.

Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activity and change in net assets as net assets released from restriction.

Cash and Cash Equivalents
Cash consists of balances held in checking, money market, and certificate of deposit accounts. For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Restricted Cash
Restricted cash balances consist of cash held for other organizations for which Casa Latina is the fiscal sponsor, as well as cash held for the worker members of Casa Latina.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments
Investments are composed of certificates of deposit with maturities of three to twelve months. Certificates of deposit with maturities of less than one year are classified as current assets in the statements of financial position. It is generally the Organization's policy to sell equity securities received from donors within thirty days of receipt and to convert the balance to cash and cash equivalents. Therefore, donated equity securities, if any, are reported as cash and cash equivalents in the statements of financial position.

Receivables
The Organization's accounts receivable balances consist primarily of small miscellaneous receivables. Grants receivable balances consist primarily of unsecured receivables. Grant revenues are accrued once they have been earned in accordance with specific contractual terms. Pledges receivable are unconditional promises to give that are recognized as revenues or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received.

Based on management's assessment of the nature of the accounts and pledges receivable and the Organization's historical collection data, the Organization has established their allowance for uncollectible pledges at December 31, 2025 and 2024 at $15,750 and $10,000, respectively. For the long-term pledges receivable, management has recorded a present value discount of $10,799 and $6,857 as of December 31, 2025 and 2024, respectively, calculated using a discount rate of 3.55%, which is the estimated incremental borrowing rate for the Organization.

Fixed assets and depreciation
Casa Latina capitalizes all expenditures for furniture and equipment in excess of $3,000. Fixed assets are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, from 3 to 40 years. The estimated service life of the assets for depreciation purposes may be different than their actual economic useful life. Depreciation expense of $117,845 and $111,269 was recognized in the years ended December 31, 2025 and 2024, respectively.

Impairment of Long-lived Assets
The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair, value as determined from an appraisal, discounted cash flow analysis, or other valuation techniques. There were no impairment losses recognized for the years ended December 31, 2025 and 2024.

Debt Issuance Costs
Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense.

Leases
The Organization leases office and storage space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) lease assets, other current liabilities, and lease liabilities on the Organization's statements of financial position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 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 commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to apply the short-term lease exemption to all classes of underlying assets

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses and certain other overhead expenses are allocated based upon a study of time and effort. Occupancy, supplies, and other operating costs are allocated based upon a study of the allocation of square footage of the Organization's property.

Revenue and Revenue Recognition

Program service fees

The Organization recognizes program service fee revenue from classes and events for workers at the time the class or event takes place. When single class offerings span multiple days, revenue is recognized at the conclusion of the class. No single class offerings span multiple fiscal years, and tuition is collected prior to the commencement of the class. Workers' transportation fees are recognized at the time transport is provided and are collected at the time the service is provided. No contract assets, contract liabilities, or contract receivables are recorded in the statement of financial position that relate to program service fees.

Program service fees are comprised of the following services for the years ended December 31:

	2025	2024
Somos Vecinos classes	$ 71,204	66,153
Transportation fees	35,169	35,875
Other	14,000	16,349
	$ 120,373	118,377

Event revenues

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Contributions & Grants

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of 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. Conditional contributions whose conditions are met in the same reporting period as the period in which the contribution was received are recorded as unconditional contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Consequently, at December 31, 2025 and 2024, contributions approximating $379,160 and $565,049, respectively, had not been recognized in the accompanying statements of activities because the conditions on which they depend had not yet been met. In order to earn these funds in future periods, the Organization will need to provide specified training events and develop training curricula and prepare specific policy change proposals and advocacy work.

Restricted Support

The Organization has adopted the FASB Accounting Standards Codification Topic 958, *Not-for-profit Entities*. In accordance with this Topic, contributions received are recorded without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Services

The Organization receives donated services primarily in the form of program services. Donated services are recorded at fair value if they create or enhance non-financial assets or if they consist of specialized skills that would have to be purchased if they were not donated. During 2025 and 2024, Casa Latina recognized $12,595 and $47,373, respectively, for donated services related to professional consultations. These were valued based upon the estimated cost to obtain similar professional consultations in the marketplace.

In addition, Casa Latina receives donated time from volunteers that does not meet the requirement above for recognition in the financial statements but provides valuable service to the Organization. These services include community service, fundraising, and general office assistance. Casa Latina received more than 2,447 and 2,171 hours of such additional donated time in 2025 and 2024, respectively.

Federal Income Tax Status

The Organization is a nonprofit organization and is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Organization accounts for tax positions in accordance with the Recognition and Initial Measurement Sections of the FASB Accounting Standards Codification Topic 740, *Income Taxes*. With few exceptions, Casa Latina is subject to federal and state income tax examinations by tax authorities for the prior three years. Management has reviewed Casa Latina's tax positions and determined there were no uncertain tax positions as of December 31, 2025 and 2024.

The Organization recognizes income tax related interest in interest expense and penalties in operating expenses. During the years ended December 31, 2025 and 2024, Casa Latina recognized no income tax related interest or penalties.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Advertising costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2025 and 2024 was $1,409 and $1,534, respectively.

Use of estimates in preparation of financial statements

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 or liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of management's review

Subsequent events have been evaluated through August 26, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – LIQUIDITY

The following represents the availability of Casa Latina's financial assets at December 31:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 795,660	1,095,932
Investments	784,734	374,296
Accounts and grants receivable	66,203	74,381
Pledges receivable	288,451	183,143
Cash held for others, including workers' funds	-	7,424
Total	1,935,048	1,735,176
Less amounts not available for general expenditures within one year:		
Liquid net assets with donor restrictions	(302,807)	(327,929)
Add back: Amounts available for general expenditure in following year	215,000	200,000
Board designated operating reserves	(100,000)	(100,000)
Board designated repair and maintenance reserves	(208,462)	(208,462)
Contractual or donor imposed restrictions on cash	(253,833)	(110,166)
Cash held for others, including workers' funds	-	(7,424)
Financial assets available for general expenditures within one year	$ 1,284,946	1,181,195

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has financial assets available for general expenditures in the next year of approximately $1.3 million at December 31, 2025. The Organization's board of directors has designated a portion of its unrestricted resources for operating and maintenance reserves. Those amounts are identified as board-designated in the table above. These funds remain available and may be spent at the discretion of the board.

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides 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 in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this topic are described below:

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

Level 2: Inputs to the valuation methodology include:

a. Quoted prices for similar assets or liabilities in active markets,

b. Quoted prices for identical or similar assets or liabilities in inactive markets,

c. Inputs other than quoted prices that are observable for the asset or liability,

d. 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.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level 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 following is a description of the valuation methodologies used for assets measured at fair value:

Investments in Certificates of Deposit: Valued using Level 1 inputs in the fair value hierarchy based on quoted market prices in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At December 31, 2025, 100% of the entity's investments were in certificates of deposit with maturity dates of twelve months or less from calendar year end and are classified as short-term investments in the statement of financial position.

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable consist of unconditional promises to give by individuals, foundations, and other supporters. An allowance for doubtful pledges has been recorded based on historical collection data. Pledges receivable are presented net of a present value discount on future pledges receivable was estimated using the Organization's incremental borrowing rate of 3.55% as of December 31, 2025.

Pledges receivable at December 31, 2025 and 2024 are expected to be realized as follows:

	2025	2024
In less than one year	$ 215,000	200,000
In one to five years	100,000	-
	315,000	200,000
Less: Allowance for doubtful pledges	(15,750)	(10,000)
Less: Discount on future pledges	(10,799)	(6,857)
	$ 288,451	183,143

NOTE 6 – LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	2025	2024
Loan payable to City of Seattle with 0% interest and the loan in its entirety will be forgiven at maturity on December 31, 2027, provided Casa Latina satisfies all compliance obligations of loan agreement; secured by a deed of trust on property in King County, WA.	$ 200,000	200,000
Loan payable to Heritage Bank; interest rate of 3.55%; principal and interest payments due monthly starting February 1, 2021; all remaining principal and interest due January 1, 2031. Secured by a deed of trust on land and building improvements in Seattle, Washington. Debt covenants include requirement that a debt service ratio of 1.5:1 be maintained.	389,263	402,358
Notes payable	$ 589,263	602,358

These notes are an integral part of the financial statements.

NOTE 6 – LONG-TERM DEBT, continued

Future maturities on loans and notes payable for the years ending December 31, are as follows:

Years ending	Principal Payments
2026	$ 13,522
2027	214,017
2028	14,493
2029	15,060
2030	15,611
Thereafter	316,560
Total	$ 589,263

NOTE 7 – LEASES

Casa Latina entered into a noncancelable operating lease for office space in July 2021 for a 38-month term ending August 31, 2024. The lease called for monthly rent payments of $2,925, escalating every 12 months, and had one option to renew the lease for an additional three-year term at market rent rates. Management did not exercise the option to renew this lease and it terminated on August 31, 2024.

Casa Latina entered into a noncancelable short-term operating lease for office space beginning September 2024 for a 12-month term ending August 31, 2025, at which time lease expired and was not renewed. The lease called for monthly rent payments of $300.

The Organization also has other short-term operating leases for copiers and for the one-time use of space for events from time to time.

The components of lease expense were as follows for the years ended December 31:

	2025	2024
Operating lease cost	$ -	$ 25,270
Short-term lease cost	6,700	2,450
	$ 6,700	27,720

The Organization leases portions of its owned property to other local organizations. These leases are month-to-month or on a per-use basis. Total rental income resulting from these leases for the years ended December 31, 2025 and 2024 was $21,090 and $15,780, respectively.

NOTE 8 – NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

In 2019, the Board of Directors established an operating reserve with the objective of setting aside funds to be drawn upon the event of financial distress or an immediate liquidity need. In 2020, the Board of Directors also established a repairs and maintenance reserve with the objective of setting aside funds to complete future significant repair and maintenance projects on the property.

Net assets without donor restrictions are as follows as of December 31:

	2025	2024
Undesignated	$ 4,112,380	3,880,232
Board designated - repairs and maintenance reserves	208,462	208,462
Board designated - operating reserves	100,000	100,000
	$ 4,420,842	4,188,694

Net assets with donor restrictions are as follows as of December 31:

	2025	2024
Subject to the passage of time:		
Pledged future donations and grants	$ 288,451	183,143
Restrictions on land and property use	200,000	200,000
	488,451	383,143
Subject to purpose restriction:		
Communications	14,356	30,730
Transition & onboarding	-	14,697
Fundraising and finance development	-	33,159
Strategic planning	-	66,200
	14,356	144,786
	$ 502,807	527,929

The Organization is subject to a fifteen-year compliance period under the terms of a $200,000 grant received from King County in 2012 for the construction of their building.

NOTE 9 – CONCENTRATIONS, CONTINGENCIES, AND COMMITMENTS

Amounts received from grantor agencies are subject to audit and adjustments by the grantor agency. Any disallowed costs, including amounts already collected, may constitute a liability for the Organization. The amounts, if any, of expenditures, which may be disallowed by the grantor, are recorded at the time that such amounts can be reasonably determined, normally upon notification by the government agency.

For the years ended December 31, 2025 and 2024, three grantors provided 38% and two grantors provided 31% of the Organization's total revenue and support, respectively. As of December 31, 2025 and 2024, two donors' pledges comprised 92% and 100% of total pledges receivable, respectively.

NOTE 10 – PENSION PLAN

Casa Latina has a qualified defined contribution pension plan under Internal Revenue Code section 403(b). The Organization's plan contribution expenses totaled $41,277 and $32,798 for the years ended December 31, 2025 and 2024, respectively.

In 2023, management identified that certain required nonelective employer contributions to the pension plan were not properly paid to the plan in a manner consistent with the terms of the restated plan document dated February 1, 2018. Management had estimated that a one-time payment for contributions for the period 2018 through 2023 was required. The estimated accrued plan contribution and lost earnings liability of $119,870 was included in other current liabilities in the statement of financial position as of December 31, 2024. The actual final payment required by management was $122,187 and was paid in full by management in July 2025, and no additional liabilities are expected to be paid or recorded as of December 31, 2025.

NOTE 11 – LABOR UNION

In December 2018, the employees of the Organization formed a union under the Office and Professional Employees International Union (OPEIU). During 2023, the Organization entered into a collective bargaining arrangement with OPEIU for the period June 14, 2023 through December 31, 2025, which specifies pay rates, benefits, and rights of union members.

NOTE 12 – SUBSEQUENT EVENTS

On January 1, 2026, a new union contract was executed between Casa Latina and its employees union (OPEIU). The new collective bargaining arrangement is in effect from January 1, 2026 through December 31, 2028. The agreement specifies annual cost-of-living wage increases, as well as certain wage increases based on hire date and classification.

In 2026, Casa Latina entered into one-year fiscal sponsorship agreements with two organizations: Cambodian Americans Advocating Peace (CAAP) and Her Identity Just Advocates Beauty (H.I.J.A.B.). Casa Latina will retain an administrative fee equal to 10% of total donations received for each organization.