

AMARA LEGAL CENTER, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2022 AND 2021

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors
Amara Legal Center, Inc.
Washington, DC

Opinion

We have audited the accompanying financial statements of Amara Legal Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amara Legal Center, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amara Legal Center, Inc. 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 Amara Legal Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amara Legal Center, Inc.'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 Amara Legal Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note B to the financial statements, during the year ended December 31, 2022, Amara Legal Center, Inc. adopted new accounting guidance, Accounting Standards Update ("ASU") 2016-02, Topic 842 *Leases*, and Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to these matters.

A handwritten signature in black ink, appearing to read "JM & M". The signature is written in a cursive, flowing style.

Washington, DC
November 15, 2023

AMARA LEGAL CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 72,389	\$ 140,319
Accounts receivable	81,882	28,167
Grants and contributions receivable	30,000	22,500
Prepaid expenses	2,162	3,094
Total Current Assets	<u>186,433</u>	<u>194,080</u>
OTHER ASSETS		
Security deposit	<u>2,081</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 188,514</u></u>	<u><u>\$ 194,080</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 9,132	\$ 1,262
Accrued expenses	18,687	29,992
Deferred revenue	-	5,057
Total Current Liabilities	<u>27,819</u>	<u>36,311</u>
NET ASSETS		
Without donor restrictions	160,695	140,269
With donor restrictions	-	17,500
Total Net Assets	<u>160,695</u>	<u>157,769</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 188,514</u></u>	<u><u>\$ 194,080</u></u>

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

AMARA LEGAL CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 358,973	\$ -	\$ 358,973
Government grants	379,073	-	379,073
In-kind contributions	30,240	-	30,240
Event sponsorships	1,460	-	1,460
Interest and other income	14	-	14
Net assets released from restrictions	17,500	(17,500)	-
Total Revenue and Support	<u>787,260</u>	<u>(17,500)</u>	<u>769,760</u>
EXPENSES			
Program Services:			
Legal services, advocacy and outreach	561,595	-	561,595
Support Services:			
Management and general	154,897	-	154,897
Fundraising	50,342	-	50,342
Total Support Services	<u>205,239</u>	<u>-</u>	<u>205,239</u>
Total Expenses	<u>766,834</u>	<u>-</u>	<u>766,834</u>
CHANGE IN NET ASSETS	20,426	(17,500)	2,926
NET ASSETS, beginning of year	<u>140,269</u>	<u>17,500</u>	<u>157,769</u>
NET ASSETS, end of year	<u><u>\$ 160,695</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 160,695</u></u>

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

AMARA LEGAL CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 111,943	\$ 112,443	\$ 224,386
Government grants	375,530	-	375,530
In-kind contributions	30,240	-	30,240
Interest and other income	729	-	729
Net assets released from restrictions	98,879	(98,879)	-
Total Revenue and Support	617,321	13,564	630,885
EXPENSES			
Program Services:			
Legal services, advocacy and outreach	492,557	-	492,557
Support Services:			
Management and general	93,006	-	93,006
Fundraising	38,550	-	38,550
Total Support Services	131,556	-	131,556
Total Expenses	624,113	-	624,113
CHANGE IN NET ASSETS	(6,792)	13,564	6,772
NET ASSETS, beginning of year	147,061	3,936	150,997
NET ASSETS, end of year	\$ 140,269	\$ 17,500	\$ 157,769

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

AMARA LEGAL CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Support Services			
	Legal Services, Advocacy and Outreach	Management and General	Fundraising	Total Support Services	Total Expenses
Personnel Costs:					
Salaries	\$ 408,747	\$ 57,640	\$ 29,609	\$ 87,249	\$ 495,996
Payroll taxes	32,515	5,145	2,302	7,447	39,962
Employee benefits	19,654	8,338	1,948	10,286	29,940
Retirement plan	6,135	185	517	702	6,837
Subtotal Personnel Costs	467,051	71,308	34,376	105,684	572,735
Accounting	-	41,512	-	41,512	41,512
Award	1,000	-	-	-	1,000
Bank fees	-	107	24	131	131
Dues and subscriptions	2,233	5,463	200	5,663	7,896
Facilities, food, and beverage	-	-	1,350	1,350	1,350
In-kind office space	24,921	3,514	1,805	5,319	30,240
Insurance expenses	4,351	614	315	929	5,280
Licenses and fees	-	300	-	300	300
Occupancy	997	141	72	213	1,210
Office expenses	9,691	6,977	-	6,977	16,668
Postage and delivery	297	104	-	104	401
Printing and copying	25	6	-	6	31
Professional development	2,932	600	-	600	3,532
Professional fees	45,255	15,291	12,200	27,491	72,746
Promotion and advertising	-	8,663	-	8,663	8,663
Telephone	1,310	285	-	285	1,595
Travel	1,532	12	-	12	1,544
Total Expenses	\$ 561,595	\$ 154,897	\$ 50,342	\$ 205,239	\$ 766,834

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

AMARA LEGAL CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Support Services			
	Legal Services, Advocacy and Outreach	Management and General	Fundraising	Total Support Services	Total Expenses
Personnel Costs:					
Salaries	\$ 369,354	\$ 53,769	\$ 21,697	\$ 75,466	\$ 444,820
Payroll taxes	27,805	3,452	1,231	4,683	32,488
Employee benefits	26,638	2,686	983	3,669	30,307
Retirement plan	7,970	100	64	164	8,134
Subtotal Personnel Costs	431,767	60,007	23,975	83,982	515,749
Accounting	-	20,105	-	20,105	20,105
Dues and subscriptions	1,293	12	4,845	4,857	6,150
In-kind office space	26,309	2,722	1,209	3,931	30,240
Insurance expenses	4,261	637	-	637	4,898
Licenses and fees	918	558	-	558	1,476
Occupancy	2,078	215	96	311	2,389
Office expenses	7,890	661	-	661	8,551
Postage and delivery	200	35	-	35	235
Professional development	1,817	-	-	-	1,817
Professional fees	14,498	7,477	8,400	15,877	30,375
Promotion and advertising	798	505	-	505	1,303
Telephone	542	55	25	80	622
Travel	186	17	-	17	203
Total Expenses	\$ 492,557	\$ 93,006	\$ 38,550	\$ 131,556	\$ 624,113

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

AMARA LEGAL CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,926	\$ 6,772
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Decrease (increase) in assets:		
Accounts receivable	(53,715)	869
Grants and contributions receivable	(7,500)	7,500
Prepaid expenses	932	1,641
Security deposit	(2,081)	-
Increase (decrease) in liabilities:		
Accounts payable	7,870	(1,606)
Accrued expenses	(11,305)	2,492
Deferred revenue	(5,057)	5,057
Net Cash Provided by (Used for) Operating Activities	<u>(67,930)</u>	<u>22,725</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(67,930)	22,725
CASH AND CASH EQUIVALENTS, beginning of year	<u>140,319</u>	<u>117,594</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 72,389</u></u>	<u><u>\$ 140,319</u></u>

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

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE A - NATURE OF THE ORGANIZATION

Amara Legal Center, Inc. (“Amara Legal Center”) was incorporated as a non-profit organization in Washington, D.C. in September 2013, and received its 501(c)(3) tax-exempt status in 2014. Amara Legal Center provides free legal services to individuals whose rights have been violated while involved in commercial sex, whether that involvement was by choice, coercion, or circumstance. Amara Legal Center runs one program that focuses on three areas: legal representation, policy advocacy, and advocacy and outreach. Amara Legal Center provides brief legal advice, partial representation, and full representation for civil legal issues such as civil protection orders, divorce, child custody and support, name changes, living wills, and power of attorney cases. In addition to civil legal services, Amara Legal Center also provides victim-witness advocacy services, criminal defense, and representation in criminal record sealing, expungement, and vacatur cases.

Since 2013, Amara Legal Center has served over 390 clients. Although many believe that sex trafficking only occurs overseas or among foreign nationals, the vast majority of Amara Legal Center’s clients are U.S. citizens who were born and raised in the Washington, D.C. metropolitan area. Amara Legal Center serves both juveniles and adults.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Amara Legal Center are prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Adoption of New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), as amended. FASB Accounting Standards Codification (“ASC”) 842 supersedes the lease requirements in FASB ASC 840. This guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases.

Amara Legal Center adopted FASB ASC Topic 842, with an initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases* (Topic 842): *Targeted Improvements*.

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Adoption of New Accounting Pronouncement (continued)

As part of the transition, Amara Legal Center implemented new controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

- a) No reassessment of whether any expired or existing contracts contain a lease.
- b) No reassessment of initial direct costs for any existing leases as of the effective date.
- c) In calculating the right-of-use assets and lease liability, Amara Legal Center has elected to combine lease and non-lease components.
- d) As an accounting policy, Amara Legal Center has also elected to apply the short-term lease exception to all leases having initial terms of 12 months or less and recognizes occupancy expense on a straight-line basis over the lease term.

During 2022, Amara Legal Center only had one operating lease with an initial term of 12 months. As a result, there was no operating lease, right-of-use asset or operating lease liability reflected on the statement of financial position as of December 31, 2022.

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires updated presentation and enhanced disclosure related to contributed nonfinancial assets received. This enhanced disclosure includes disaggregation of significant categories of contributed nonfinancial assets and additional qualitative information regarding the use of these contributed nonfinancial assets. ASU 2020-07 has been implemented in the accompanying financial statements on a retrospective basis, however, there is no effect on net assets in connection with the implementation of ASU 2020-07 as the update only increased presentation and disclosure requirements for the prior year and did not impact amounts recorded.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958 *Not-for-Profit Entities*. In accordance with ASC Topic 958, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Amara Legal Center and changes therein, are classified and reported as follows:

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Statement Presentation (continued)

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met by either actions of Amara Legal Center and/or the passage of time, or that must be maintained in perpetuity by Amara Legal Center. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Amara Legal Center considers all demand deposits and money market accounts to be cash equivalents. Amara Legal Center maintains its cash and cash equivalents balances in bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation, up to \$250,000 per institution. At times, the accounts may exceed these limits. Amara Legal Center believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions and Accounts Receivable

Contributions and accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection, and existing economic conditions. Receivables deemed uncollectible are charged off based on specific circumstances of the parties involved. As of December 31, 2022 and 2021, management had determined that all significant receivables are collectible and due within one year, therefore, an allowance for doubtful accounts has not been established. As of the beginning of the year ended December 31, 2021, accounts receivable totaled \$29,036.

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition

Grants and Contributions

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

Government Grants

Amara Legal Center received grants from the U.S. Department of Justice and the Government of the District of Columbia - Office of Victim Services and Justice Grants. These revenues are considered conditional grants that contain a right of return and other barriers, and are not recognized until the conditions have been substantially met. These grants are also subject to audit by the grantor agency, which could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the applicable grantor.

In-Kind Contributions

In-kind contributions are recorded at the fair value of the services or items received. Amara Legal Center recognizes in-kind contributions 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.

Methods Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or support function of Amara Legal Center. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Those expenses include occupancy, office expenses, and any other applicable expenditures, which are allocated based on salaries and related costs, determined by an estimate of time and effort expended.

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

For comparative purposes, certain amounts for the year ended December 31, 2021, have been reclassified to conform to the current year presentation. The reclassification had no effect on the previously reported net assets or change in net assets.

NOTE C - INCOME TAXES

Amara Legal Center is a 501(c)(3) organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code except on business income unrelated to Amara Legal Center's exempt purpose. Amara Legal Center has been classified as other than a private foundation.

Amara Legal Center recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Amara Legal Center believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Amara Legal Center's information returns are subject to examination by the Internal Revenue Service ("IRS") after a period of three years from the date they were filed, except under certain circumstances. Amara Legal Center's information returns for the years 2019 through 2021, are open for examination by the IRS, although no request has been made as of the date of these financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

Amara Legal Center's management regularly monitors liquidity requirements to ensure that ongoing operating needs and other contractual commitments are met. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to Amara Legal Center include financial assets consisting of cash and cash equivalents, and contributions and accounts receivable. In addition, Amara Legal Center anticipates receiving additional grants and contributions that will sufficiently cover its operating expenses over a 12-month period.

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY – continued

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, Amara Legal Center considers all expenditures related to its legal services, advocacy and outreach, as well as services undertaken to support its program services and fundraising activities, to be general operating expenditures.

As of December 31, 2022 and 2021, total financial assets held by Amara Legal Center and the amounts of those financial assets that could readily be made available within one year of the statements of financial position dates to meet general expenditures were as follows:

	2022	2021
Cash and cash equivalents	\$ 72,389	\$ 140,319
Accounts receivable	81,882	28,167
Grants and contributions receivable	30,000	22,500
Total Financial Assets	184,271	190,986
Less: net assets with donor restrictions	-	(17,500)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 184,271</u>	<u>\$ 173,486</u>

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

There were no net assets with donor restrictions as of December 31, 2022. As of December 31, 2021, net assets with donor restrictions totaled \$17,500 and were restricted for the passage of time.

NOTE F – IN-KIND OFFICE SPACE

For the years ended December 31, 2022 and 2021, Amara Legal Center received free office space from a separate non-profit entity in the amount of \$30,240 for both years. The fair market value of in-kind rent is based on the amount of monthly rent that the landlord would typically charge to a third-party. The donated office space was used for and allocated between program and support services on the statements of functional expenses. There were no donor-imposed restrictions on the donated office space.

AMARA LEGAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(continued)

NOTE F – IN-KIND LEGAL SERVICES AND OFFICE SPACE – continued

For the years ended December 31, 2022 and 2021, the value of in-kind legal services totaled \$40,403 and \$-, respectively. For each of the years ended December 31, 2022 and 2021, the value of in-kind office space totaled \$30,240.

NOTE G – LEASE COMMITMENT

Effective April 2019, Amara Legal Center entered into a non-cancellable two-year office lease agreement, which expired on April 30, 2020. Effective January 22, 2020, Amara Legal Center entered into a shared office space agreement located at 1629 K Street #300, NW, Washington, D.C., 20036. This shared office space agreement is on a month-to-month basis.

For the years ended December 31, 2022 and 2021, occupancy expense totaled \$1,210 and \$2,389, respectively.

NOTE H – RETIREMENT PLAN

Amara Legal Center sponsors a SIMPLE IRA Plan (the “Plan”) for all eligible employees, whereby employees may contribute up to the annual amount determined by the Internal Revenue Service. Under the Plan, an employee is eligible if he or she has received at least \$5,000 in annual compensation in the prior year and is expected to be paid at least \$5,000 in the current year. The Plan matches 100 percent of the employee’s contributions, not to exceed three percent of total compensation. For the years ended December 31, 2022 and 2021, Amara Legal Center’s contribution to the Plan totaled \$6,837 and \$8,134, respectively.

NOTE I – SUBSEQUENT EVENTS

In preparing these financial statements, Amara Legal Center has evaluated events and transactions for potential recognition or disclosure through November 15, 2023, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.