

FINANCIAL STATEMENTS

**CENTER FOR COMMUNITY
CHANGE ACTION**

**FOR THE YEARS ENDED
SEPTEMBER 30, 2023 AND 2022**

CENTER FOR COMMUNITY CHANGE ACTION

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Community Change Action
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Center for Community Change Action (CCCA), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities and changes in net assets, 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 CCCA as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 CCCA 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 CCCA'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.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

April 5, 2024

CENTER FOR COMMUNITY CHANGE ACTION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE						
Grants, contributions and pledges	\$ 4,727,236	\$ 4,754,469	\$ 9,481,705	\$ 2,280,011	\$ 6,681,415	\$ 8,961,426
Interest income	17,727	-	17,727	2,716	-	2,716
Rental income	767,662	-	767,662	748,388	-	748,388
Fee for service income	142,981	-	142,981	204,703	-	204,703
Net assets released from donor restrictions	<u>3,709,190</u>	<u>(3,709,190)</u>	<u>-</u>	<u>4,991,561</u>	<u>(4,991,561)</u>	<u>-</u>
Total support and revenue	<u>9,364,796</u>	<u>1,045,279</u>	<u>10,410,075</u>	<u>8,227,379</u>	<u>1,689,854</u>	<u>9,917,233</u>
EXPENSES						
Program Services	<u>7,785,230</u>	<u>-</u>	<u>7,785,230</u>	<u>8,775,533</u>	<u>-</u>	<u>8,775,533</u>
Supporting Services:						
Management and General	504,483	-	504,483	804,725	-	804,725
Fundraising	<u>238,735</u>	<u>-</u>	<u>238,735</u>	<u>355,381</u>	<u>-</u>	<u>355,381</u>
Total supporting services	<u>743,218</u>	<u>-</u>	<u>743,218</u>	<u>1,160,106</u>	<u>-</u>	<u>1,160,106</u>
Total expenses	<u>8,528,448</u>	<u>-</u>	<u>8,528,448</u>	<u>9,935,639</u>	<u>-</u>	<u>9,935,639</u>
Changes in net assets	836,348	1,045,279	1,881,627	(1,708,260)	1,689,854	(18,406)
Net assets at beginning of year	<u>9,741,214</u>	<u>2,575,041</u>	<u>12,316,255</u>	<u>11,449,474</u>	<u>885,187</u>	<u>12,334,661</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,577,562</u>	<u>\$ 3,620,320</u>	<u>\$ 14,197,882</u>	<u>\$ 9,741,214</u>	<u>\$ 2,575,041</u>	<u>\$ 12,316,255</u>

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Personnel	\$ 1,866,014	\$ 197,762	\$ 117,288	\$ 315,050	\$ 2,181,064
Partner support	1,941,924	(4,318)	136	(4,182)	1,937,742
Media outreach	1,697,009	9,180	270	9,450	1,706,459
Contractual services	971,022	28,522	9,708	38,230	1,009,252
Payroll taxes and fringe	536,168	59,767	33,927	93,694	629,862
Occupancy	329,085	1,574	12,585	14,159	343,244
Miscellaneous	137,994	58,884	48	58,932	196,926
Depreciation and amortization	79,383	32,375	3,590	35,965	115,348
Meetings and convenings	44,236	11,519	54,060	65,579	109,815
Professional fees	27,277	73,914	587	74,501	101,778
Travel	94,962	2,785	-	2,785	97,747
Insurance	55,511	27,103	6,080	33,183	88,694
Office supplies	4,645	5,416	456	5,872	10,517
TOTAL	<u>\$ 7,785,230</u>	<u>\$ 504,483</u>	<u>\$ 238,735</u>	<u>\$ 743,218</u>	<u>\$ 8,528,448</u>

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Contractual services	\$ 2,208,333	\$ 52,411	\$ 52,876	\$ 105,287	\$ 2,313,620
Personnel	1,666,140	315,574	175,447	491,021	2,157,161
Partner support	1,904,500	-	-	-	1,904,500
Media outreach	1,840,732	31,766	8,199	39,965	1,880,697
Payroll taxes and fringe	543,020	101,831	57,906	159,737	702,757
Occupancy	171,021	24,094	17,303	41,397	212,418
Miscellaneous	125,408	64,376	1,187	65,563	190,971
Depreciation and amortization	89,147	11,589	12,337	23,926	113,073
Bad debt expense	-	103,594	-	103,594	103,594
Professional fees	16,346	83,681	908	84,589	100,935
Travel	77,776	3,087	-	3,087	80,863
Insurance	66,627	5,064	6,433	11,497	78,124
Meetings and convenings	48,435	631	19,273	19,904	68,339
Office supplies	18,048	7,027	3,512	10,539	28,587
TOTAL	<u>\$ 8,775,533</u>	<u>\$ 804,725</u>	<u>\$ 355,381</u>	<u>\$ 1,160,106</u>	<u>\$ 9,935,639</u>

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,881,627	\$ (18,406)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	101,953	95,612
Change in discount on grants and contributions receivable	(24,460)	24,460
Decrease (increase) in:		
Accounts receivable	191,875	91,913
Grants, contributions and pledges receivable	(757,771)	(1,683,050)
Prepaid expenses and other assets	(28,287)	(7,564)
(Decrease) increase in:		
Accounts payable and accrued expenses	<u>(516,333)</u>	<u>281,430</u>
Net cash provided (used) by operating activities	<u>848,604</u>	<u>(1,215,605)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property improvements	<u>-</u>	<u>(53,664)</u>
Net cash used by investing activities	<u>-</u>	<u>(53,664)</u>
Net increase (decrease) in cash and cash equivalents	848,604	(1,269,269)
Cash and cash equivalents at beginning of year	<u>5,013,179</u>	<u>6,282,448</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,861,783</u>	<u>\$ 5,013,179</u>
SUPPLEMENTAL INFORMATION:		
Taxes Paid	<u>\$ 21,000</u>	<u>\$ 76,419</u>

CENTER FOR COMMUNITY CHANGE ACTION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Center for Community Change Action (CCCA) is a non-profit organization, incorporated in Washington, D.C. CCCA's mission is to build the power of low-income people and people of color to change the policy issues that matter to them. All projects of CCCA support this mission.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions." Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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," depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

CCCA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, CCCA maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants, contributions and pledges receivable -

Current grants, contributions and pledges receivable are recorded at their net realizable value, which approximates fair value. Grants, contributions and pledges receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants, contributions and pledges revenue. Conditional promises to give are not included as support until the conditions are substantially met. All grants, contributions and pledges receivable are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Accounts receivable -

Accounts receivable consist of related party receivables and invoices to partners for shared expenses and services, and employee travel advances. Accounts receivable are stated at their unpaid balances, which approximate fair value. No interest or late fees accrue on unpaid receivables. At September 30, 2023 and 2022, management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Property and improvements -

Capital asset acquisitions in excess of \$5,000 are capitalized and stated at cost. Capital assets are depreciated/amortized on a straight-line basis over the estimated useful lives of the related assets, generally three years for computer equipment, five years for furniture and other equipment and 40 years for the building. Building improvements are amortized over the remaining estimated useful life of the building. The cost of maintenance and repairs is recorded as expenses are incurred. Expenditures for maintenance, repairs, and minor improvements are charged to expense when incurred. Depreciation and amortization expense totaled \$101,953 and \$95,612, for the years ended September 30, 2023 and 2022. An additional \$13,395 and \$17,461, allocated from the Center for Community Change (CCC) is included on the Statements of Functional Expense for the years ended September 30, 2023 and 2022, respectively.

Income taxes -

CCCA is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Although CCCA is organized as a non-profit corporation, the lesser of net investment income earned or political expenditures incurred is subject to taxation by the Internal Revenue Service and the District of Columbia. Net income from the rental of office space to the Center for Community Change (CCC), is considered to be net investment income.

CCCA incurred \$94,901 and \$86,712 of combined Federal and District of Columbia political organization taxes as a result of these activities during the years ended September 30, 2023 and 2022, respectively; such taxes are included in occupancy expenses in the accompanying Statements of Functional Expenses.

Uncertain tax positions -

For the years ended September 30, 2023 and 2022, CCCA has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Grants, contributions, pledges and fee for service revenue -

The majority of CCCA's revenue is received through contributions, pledges and grants. CCCA also receives fee for service contracts. Revenue is recognized in the appropriate category of net assets in the period received. CCCA performs an analysis of the individual revenue to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Grants, contributions, pledges and fee for service revenue (continued) -

For grants, contributions and pledges qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants, contributions and pledges qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants and contributions qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. These transactions are nonreciprocal and classified as conditional and are recognized as contributions when the revenue becomes unconditional. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, CCCA recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. CCCA did not have any unrecognized conditional contributions as of September 30, 2023 and 2022.

Grant and contributions receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements.

Fee for service contracts classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and record revenue when the performance obligations are met. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant or contract agreements. CCCA has elected to opt out of all (or certain) disclosures not required for nonpublic entities. CCCA did not have any receivables from contracts with customers or deferred revenue from contracts with customers as of September 30, 2023 and 2022.

Use of estimates -

The preparation of the 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 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.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Statements of Functional Expenses present expenses by function and natural classification.

Expenses directly attributable to a specific functional area of CCCA are reported as expenses of those functional areas. Expenses which benefit more than one function are allocated on a reasonable basis that is consistently applied.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Functional allocation of expenses (continued) -

The basis of allocation is estimates of time and effort maintained for each employee. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, information technology, office expenses, insurance and other expenses.

New accounting pronouncement (not yet adopted) -

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for CCCA for the year ending September 30, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

CCCA plans to adopt the new ASU at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standards on its accompanying financial statements.

2. GRANTS, CONTRIBUTIONS AND PLEDGES RECEIVABLE

CCCA has received commitments for support, of which \$2,967,771 and \$2,210,000 remained due as of September 30, 2023 and 2022, respectively. Payments expected to be received beyond one year have been recorded at the net present value of the estimated cash flows, using a variable discount rate based on rates for a three-year treasury bill at the time of the award.

Following is a schedule of grants, contributions and pledges receivable at September 30, 2023 and 2022:

	2023	2022
Less than one year	\$ 2,967,771	\$ 1,410,000
One to five years	-	800,000
	2,967,771	2,210,000
Less: Present value discount	-	(24,460)
Less: Current portion	(2,967,771)	(1,410,000)
NONCURRENT PORTION	\$ -	\$ 775,540

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30, 2023 and 2022:

	2023	2022
Special Projects Sponsored by CCCA	\$ 670,320	\$ 296,619
Electoral	150,000	102,882
Time Restricted	2,800,000	2,175,540
NET ASSETS WITH DONOR RESTRICTIONS	\$ 3,620,320	\$ 2,575,041

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

3. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

	2023	2022
Electoral	\$ 1,173,580	\$ 1,692,993
Special Projects Sponsored by CCCA	1,091,770	1,459,493
Advancing A Governing Agenda	30,050	1,186,625
Other	38,250	-
Passage of Time	1,375,540	252,450
Civil Engagement	-	400,000
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 3,709,190	\$ 4,991,561

4. LINE OF CREDIT

During the year ended September 30, 2017, CCCA established a \$500,000 line of credit with Amalgamated Bank. Borrowings from the line of credit bear interest at a variable interest rate (8.50% and 6.25% at September 30, 2023 and 2022, respectively). There were no draws on the line of credit during the years ended September 30, 2023 and 2022.

The terms of the agreement require CCCA to maintain a cash collateral account (with Amalgamated Bank) with a balance of at least \$500,000 at all times. As of the date of this report, CCCA is in compliance with this requirement.

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	2023	2022
Cash and cash equivalents	\$ 5,861,783	\$ 5,013,179
Grants and contributions receivable	2,967,771	1,410,000
Deposits	100,000	100,000
Accounts receivable	9,880	201,755
Subtotal financial assets available within one year	8,939,434	6,724,934
Less: Donor purpose restricted funds	(820,320)	(399,501)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 8,119,114	\$ 6,325,433

CCCA has a policy to structure its financial assets to be available and liquid as its obligations become due. To help manage unanticipated liquidity needs and to respond to seasonal variations, CCCA has a committed line of credit of \$500,000 which it could draw upon.

6. RELATED PARTIES

The Center for Community Change (CCC) is a related, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, whose purpose is to help low-income people, especially low-income people of color, develop the power and capacity to improve their communities and change policies and institutions that affect their lives.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

6. RELATED PARTIES (Continued)

CCCA and CCC share office space and staff, however, the criteria for financial combination (significant influence/control and economic interest) have not been met; therefore, the financial activities of the organizations are not combined. CCCA reimburses CCC for salaries and other administrative costs. CCC reimburses CCCA for program expenses paid on CCC's behalf, and leases office space from CCCA.

During the years ended September 30, 2023 and 2022, CCC billed CCCA for expenses totaling \$5,887,305 and \$3,949,652, respectively, and CCCA billed CCC for expenses totaling \$969,685 and \$887,846, respectively.

As of September 30, 2023 and 2022, \$846,961 and \$1,312,871, respectively, was due to CCC from CCCA. These amounts are included in accounts payable and accrued expenses in the accompanying Statements of Financial Position.

As of September 30, 2023 and 2022, \$9,880 and \$148,814 were due to CCCA from CCC. These amounts are included in accounts receivables in the accompanying Statements of Financial Position.

During the years ended September 30, 2023 and 2022, CCC granted CCCA \$0 and \$200,000, respectively. This amount is included in grants and contributions on the accompanying Statements of Activities and Changes in Net Assets. CCCA did not make any grants to CCC.

On March 2, 2015, CCCA purchased the property (at 1536 U Street, NW, Washington, D.C.) from CCC for \$6,900,000. Concurrently, CCCA entered into a five-year operating lease agreement with CCC. Base rent of \$51,667 per month is required during the first year, with 3% increases annually; additionally, CCC is responsible for reimbursing CCCA its proportionate share of property taxes.

During the year ended September 30, 2020, the lease was amended to one-year terms, with the option to renew for an additional nineteen one-year periods. During the year ended September 30, 2023, the lease was renewed for another term. Rental income received by CCCA (from CCC) during the years ended September 30, 2023 and 2022 totaled \$767,662 and \$748,388, respectively, and is noted as rental income on the accompanying Statements of Activities and Changes in Net Assets.

The future minimum rental income expected to be received under this lease is as follows:

Year Ending September 30, 2023	\$ <u>320,950</u>
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During the year ended September 30, 2016, CCCA assisted in the creation of four (4) SuperPAC entities. As CCCA does not control (or exercise significant influence over) these entities, the financial transactions are not combined with those of CCCA. During the years ended September 30, 2023 and 2022, a total of \$150,000 and \$0, respectively, was transferred to the SuperPAC entities (for political expenditures to be incurred by these entities).

7. SUBSEQUENT EVENTS

In preparing these financial statements, CCCA has evaluated events and transactions for potential recognition or disclosure through April 5, 2024, the date the financial statements were issued.