FINANCIAL STATEMENTS

CENTER FOR COMMUNITY CHANGE ACTION

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

CENTER FOR COMMUNITY CHANGE ACTION

CONTENTS

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, 2022 and 2021, 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, 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 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.

4550 Montgomery Avenue · Suite 800 North · Bethesda, Maryland 20814
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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.

Gelman Rozenberg & Freedman

March 10, 2023

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 5,013,179	$ 6,282,448
Grants, contributions and pledges receivable	1,410,000	526,950
Miscellaneous receivables	201,755	293,668
Prepaid expenses and other assets	27,555	19,991
Deposits	100,000	100,000
Total current assets	6,752,489	7,223,057
PROPERTY AND IMPROVEMENTS		
Land	3,652,100	3,652,100
Building and improvements	3,534,216	3,480,552
	7,186,316	7,132,652
Less: Accumulated depreciation and amortization	(700,758)	(605,146)
Net property and improvements	6,485,558	6,527,506
NONCURRENT ASSETS		
Grants, contributions and pledge receivable, net of current portion and present value discount	775,540	-
TOTAL ASSETS	**$ 14,013,587**	**$ 13,750,563**

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,697,332	$ 1,415,902
NET ASSETS		
Without donor restrictions	9,741,214	11,449,474
With donor restrictions	2,575,041	885,187
Total net assets	12,316,255	12,334,661
TOTAL LIABILITIES AND NET ASSETS	**$ 14,013,587**	**$ 13,750,563**

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants, contributions and pledges	$ 2,280,011	$ 6,681,415	$ 8,961,426	$ 1,661,869	$ 11,498,931	$ 13,160,800
Interest income	2,716	-	2,716	2,132	-	2,132
Rental income	748,388	-	748,388	729,208	-	729,208
Fee for service income	204,703	-	204,703	1,648,446	-	1,648,446
Net assets released from donor restrictions	4,991,561	(4,991,561)	-	13,044,872	(13,044,872)	-
Total support and revenue	8,227,379	1,689,854	9,917,233	17,086,527	(1,545,941)	15,540,586
EXPENSES						
Program Services	8,775,533	-	8,775,533	15,643,690	-	15,643,690
Supporting Services:						
Management and General	804,725	-	804,725	609,258	-	609,258
Fundraising	355,381	-	355,381	235,385	-	235,385
Total supporting services	1,160,106	-	1,160,106	844,643	-	844,643
Total expenses	9,935,639	-	9,935,639	16,488,333	-	16,488,333
Changes in net assets	(1,708,260)	1,689,854	(18,406)	598,194	(1,545,941)	(947,747)
Net assets at beginning of year	11,449,474	885,187	12,334,661	10,851,280	2,431,128	13,282,408
NET ASSETS AT END OF YEAR	**$ 9,741,214**	**$ 2,575,041**	**$ 12,316,255**	**$ 11,449,474**	**$ 885,187**	**$ 12,334,661**

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION

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

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
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	**$ 8,775,533**	**$ 804,725**	**$ 355,381**	**$ 1,160,106**	**$ 9,935,639**

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Partner support	$ 6,615,988	$ -	$ -	$ -	$ 6,615,988
Contractual services	3,047,795	21,852	20,675	42,527	3,090,322
Media outreach	2,761,511	78,134	71	78,205	2,839,716
Personnel	1,690,812	225,510	122,284	347,794	2,038,606
Miscellaneous	518,910	97,844	1,249	99,093	618,003
Payroll taxes and fringe	495,164	66,476	36,814	103,290	598,454
Occupancy	166,357	19,170	14,095	33,265	199,622
Professional fees	69,402	84,791	3,785	88,576	157,978
Depreciation and amortization	103,692	2,276	10,817	13,093	116,785
Office supplies	77,461	424	4,619	5,043	82,504
Insurance	58,241	9,827	4,833	14,660	72,901
Meetings and convenings	29,731	2,919	16,120	19,039	48,770
Travel	8,076	-	-	-	8,076
Software and equipment	550	35	23	58	608
TOTAL	**$ 15,643,690**	**$ 609,258**	**$ 235,385**	**$ 844,643**	**$ 16,488,333**

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (18,406)	$ (947,747)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	95,612	94,787
Change in discount on grants and contributions receivable	24,460	(4,598)
Decrease (increase) in:		
Miscellaneous receivables	91,913	512,308
Grants, contributions and pledges receivable	(1,683,050)	488,550
Prepaid expenses and other assets	(7,564)	4,740
Increase (decrease) in:		
Accounts payable and accrued expenses	281,430	(252,030)
Net cash used by operating activities	(1,215,605)	(103,990)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property improvements	(53,664)	-
Net cash used by investing activities	(53,664)	-
Net decrease in cash and cash equivalents	(1,269,269)	(103,990)
Cash and cash equivalents at beginning of year	6,282,448	6,386,438
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 5,013,179**	**$ 6,282,448**
SUPPLEMENTAL INFORMATION:		
Taxes Paid	**$ 76,419**	**$ 97,418**

See accompanying notes to financial statements.

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 Entitie*s. 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.

New accounting pronouncements adopted -

During the year ended September 30, 2022, CCCA adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

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.

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

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 collectible. Accordingly, an allowance for doubtful accounts has not been established.

Miscellaneous receivables -

Miscellaneous receivables consist of related party receivables and invoices to partners for shared expenses and services, and employee travel advances. Miscellaneous receivables are stated at their unpaid balances, which approximate fair value. No interest or late fees accrue on unpaid receivables. At September 30, 2022 and 2021, management considers all amounts to be fully collectible. 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 $95,612 and $94,787, for the years ended September 30, 2022 and 2021. An additional $17,461 and $21,998, allocated from the Center for Community Change (CCC) is included on the Statements of Functional Expense for the years ended September 30, 2022 and 2021, 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 $86,712 and $79,371 of combined Federal and District of Columbia political organization taxes as a result of these activities during the years ended September 30, 2022 and 2021, respectively; such taxes are included in miscellaneous expenses in the accompanying Statements of Functional Expenses.

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

Uncertain tax positions -

For the years ended September 30, 2022 and 2021, 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.

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, 2022 and 2021.

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, 2022 and 2021.

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.

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

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.

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 pronouncements (not yet adopted) -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

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 December 31, 2023 but early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

CCCA plans to adopt the new ASUs 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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

2. GRANTS, CONTRIBUTIONS AND PLEDGES RECEIVABLE

CCCA has received commitments for support, of which $2,210,000 and $526,950 remained due as of September 30, 2022 and 2021, 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.

2. GRANTS, CONTRIBUTIONS AND PLEDGES RECEIVABLE (Continued)

Following is a schedule of grants, contributions and pledges receivable at September 30, 2022 and 2021:

	2022	2021
Less than one year	$ 1,410,000	$ 526,950
One to five years	800,000	-
	2,210,000	526,950
Less: Present value discount	(24,460)	-
Less: Current portion	(1,410,000)	(526,950)
NONCURRENT PORTION	**$ 775,540**	**$ -**

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30, 2022 and 2021:

	2022	2021
Special Projects Sponsored by CCCA	$ 296,619	$ 306,112
Electoral	102,882	275,000
Time Restricted	2,175,540	252,450
Advancing A Governing Agenda	-	51,625
NET ASSETS WITH DONOR RESTRICTIONS	**$ 2,575,041**	**$ 885,187**

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:

	2022	2021
Electoral	$ 1,692,993	$ 5,038,438
Special Projects Sponsored by CCCA	1,459,493	4,000,000
Advancing A Governing Agenda	1,186,625	1,728,834
Build Black and Immigrant Power	-	1,525,000
Passage of Time	252,450	752,600
Civil Engagement	400,000	-
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**$ 4,991,561**	**$ 13,044,872**

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 (6.25% and 3.25% at September 30, 2022 and 2021, respectively). There were no draws on the line of credit during the years ended September 30, 2022 and 2021.

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:

	2022	2021
Cash and cash equivalents	$ 5,013,179	$ 6,282,448
Grants and contributions receivable	1,410,000	526,950
Deposits	100,000	100,000
Miscellaneous receivables	201,755	293,668
Subtotal financial assets available within one year	6,724,934	7,203,066
Less: Donor purpose restricted funds	(399,501)	(632,737)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 6,325,433**	**$ 6,570,329**

CCCA has a policy to structure its financial assets to be available and liquid as its obligations become due. As of September 30, 2022 and 2021, CCCA has financial assets equal to approximately eight and five months of operating expenses, respectively. 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.

CCCA and CCC share office space and an Executive Director; 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, other administrative costs, and prior to the sale of the building on March 2, 2015, for facility costs. CCC reimburses CCCA for program expenses paid on CCC's behalf, and leases office space from CCCA.

During the years ended September 30, 2022 and 2021, CCC billed CCCA for expenses totaling $3,949,652 and $3,326,170, respectively, and CCCA billed CCC for expenses totaling $887,846 and $881,854, respectively.

As of September 30, 2022 and 2021, $1,312,871 and $425,022, 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, 2022 and 2021, $148,814 and $274,500 were due to CCCA from CCC. These amounts are included in miscellaneous receivables in the accompanying Statements of Financial Position.

During the years ended September 30, 2022 and 2021, CCC granted CCCA $200,000 and $274,500, 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.

6. RELATED PARTIES (Continued)

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, 2022, the lease was renewed for another term. Rental income received by CCCA (from CCC) during the years ended September 30, 2022 and 2021 totaled $748,388 and $729,208, 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	**$ 315,590**

Win Justice is a separate District of Columbia nonprofit corporation exempt from Federal tax under Internal Revenue Code Section 527 that was organized to expand the electorate by mobilizing voters of color, young people, women, and union supports in key battleground states. Win Justice operated a Federal independent-expenditure-only political committee and several state political committees. During the year ended September 30, 2021, the Managing Director of the Community Change Action also served as one of four Board Members of Win Justice. CCA also provided various administrative services to Win Justice under a defined service agreement, which included having CCA staff provide Win Justice with administrative and management services. CCA granted $975,000 to Win Justice during the year ended September 30, 2021. Additionally, Win Justice paid CCA $148,147 for the administrative and staffing services provided. There were no transactions during the year ended September 30, 2022.

7. SUBSEQUENT EVENTS

In preparing these financial statements, CCCA has evaluated events and transactions for potential recognition or disclosure through March 10, 2023, the date the financial statements were issued.