

FINANCIAL STATEMENTS

**CENTER FOR COMMUNITY
CHANGE ACTION**

**FOR THE YEARS ENDED
SEPTEMBER 30, 2019 AND 2018**

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.

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, 2019 and 2018, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements. We have also audited the statement of functional expenses for the year ended September 30, 2019, with summarized financial information for September 30, 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCCA as of September 30, 2019 and 2018, 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.

Gelman Rosenberg & Friedman

March 12, 2020

CENTER FOR COMMUNITY CHANGE ACTION

STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,579,633	\$ 6,066,496
Advances and miscellaneous receivables	-	61,276
Grants and contributions receivable	1,029,100	635,850
Prepaid expenses and other assets	31,057	15,310
Deposits	<u>100,000</u>	<u>100,000</u>
Total current assets	<u>6,739,790</u>	<u>6,878,932</u>
PROPERTY AND IMPROVEMENTS		
Land	3,652,100	3,652,100
Building and improvements	<u>3,480,552</u>	<u>3,480,552</u>
	7,132,652	7,132,652
Less: Accumulated depreciation and amortization	<u>(415,573)</u>	<u>(320,787)</u>
Net property and improvements	<u>6,717,079</u>	<u>6,811,865</u>
NONCURRENT ASSETS		
Grants and contributions receivable, net of current portion and present value discount	<u>98,237</u>	<u>1,649</u>
TOTAL ASSETS	<u>\$ 13,555,106</u>	<u>\$ 13,692,446</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ <u>548,698</u>	\$ <u>698,882</u>
NET ASSETS		
Without donor restrictions	10,869,600	11,025,454
With donor restrictions	<u>2,136,808</u>	<u>1,968,110</u>
Total net assets	<u>13,006,408</u>	<u>12,993,564</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,555,106</u>	<u>\$ 13,692,446</u>

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, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants, contributions and project income	\$ 1,031,686	\$ 4,426,423	\$ 5,458,109	\$ 2,282,547	\$ 6,464,518	\$ 8,747,065
Interest income	1,819	-	1,819	1,486	-	1,486
Rental income	691,034	-	691,034	668,885	-	668,885
Net assets released from donor restrictions	<u>4,257,725</u>	<u>(4,257,725)</u>	<u>-</u>	<u>4,729,441</u>	<u>(4,729,441)</u>	<u>-</u>
Total support and revenue	<u>5,982,264</u>	<u>168,698</u>	<u>6,150,962</u>	<u>7,682,359</u>	<u>1,735,077</u>	<u>9,417,436</u>
EXPENSES						
Program Services	<u>5,472,022</u>	<u>-</u>	<u>5,472,022</u>	<u>5,650,697</u>	<u>-</u>	<u>5,650,697</u>
Supporting Services:						
Management and General	478,873	-	478,873	488,848	-	488,848
Fundraising	<u>187,223</u>	<u>-</u>	<u>187,223</u>	<u>298,755</u>	<u>-</u>	<u>298,755</u>
Total supporting services	<u>666,096</u>	<u>-</u>	<u>666,096</u>	<u>787,603</u>	<u>-</u>	<u>787,603</u>
Total expenses	<u>6,138,118</u>	<u>-</u>	<u>6,138,118</u>	<u>6,438,300</u>	<u>-</u>	<u>6,438,300</u>
Changes in net assets	(155,854)	168,698	12,844	1,244,059	1,735,077	2,979,136
Net assets at beginning of year	<u>11,025,454</u>	<u>1,968,110</u>	<u>12,993,564</u>	<u>9,781,395</u>	<u>233,033</u>	<u>10,014,428</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,869,600</u>	<u>\$ 2,136,808</u>	<u>\$ 13,006,408</u>	<u>\$ 11,025,454</u>	<u>\$ 1,968,110</u>	<u>\$ 12,993,564</u>

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	2019				2018	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Contractual services	\$ 1,194,177	\$ 18,396	\$ 23,075	\$ 41,471	\$ 1,235,648	\$ 771,353
Depreciation and amortization	102,679	4,946	9,537	14,483	117,162	139,907
Insurance	42,296	2,240	3,811	6,051	48,347	50,976
Media outreach	185,122	35	27	62	185,184	242,443
Meetings and convenings	67,929	5,726	3,322	9,048	76,977	146,492
Miscellaneous	6,000	89,410	-	89,410	95,410	155,702
Occupancy	118,064	56,009	12,003	68,012	186,076	182,326
Office supplies	55,025	7,890	4,115	12,005	67,030	80,712
Partner support	2,371,100	-	-	-	2,371,100	2,625,339
Payroll taxes and fringe	250,242	44,670	26,043	70,713	320,955	391,519
Personnel	913,469	158,557	91,725	250,282	1,163,751	1,329,805
Professional fees	40,993	79,117	393	79,510	120,503	129,681
Software and equipment	9,152	10,303	7,087	17,390	26,542	32,818
Travel	115,774	1,574	6,085	7,659	123,433	159,227
TOTAL	<u>\$ 5,472,022</u>	<u>\$ 478,873</u>	<u>\$ 187,223</u>	<u>\$ 666,096</u>	<u>\$ 6,138,118</u>	<u>\$ 6,438,300</u>

See accompanying notes to financial statements.

CENTER FOR COMMUNITY CHANGE ACTION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 12,844	\$ 2,979,136
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	94,786	91,562
Change in discount on grants and contributions receivable	2,762	(501)
Decrease (increase) in:		
Advances and miscellaneous receivables	61,276	(61,276)
Grants and contributions receivable	(492,600)	(404,650)
Prepaid expenses and other assets	(15,747)	19,432
(Decrease) increase in:		
Accounts payable and accrued expenses	<u>(150,184)</u>	<u>323,599</u>
Net cash (used) provided by operating activities	<u>(486,863)</u>	<u>2,947,302</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property improvements	<u>-</u>	<u>(30,693)</u>
Net cash used by investing activities	<u>-</u>	<u>(30,693)</u>
Net (decrease) increase in cash and cash equivalents	(486,863)	2,916,609
Cash and cash equivalents at beginning of year	<u>6,066,496</u>	<u>3,149,887</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,579,633</u>	<u>\$ 6,066,496</u>
SUPPLEMENTAL INFORMATION:		
Taxes Paid	<u>\$ 60,027</u>	<u>\$ 161,297</u>

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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 increase the profile of policy issues that matter to low-income people and people of color, as well as educate and empower low-income people and people of color to act on those issues. 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 the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU was adopted during the year ended September 30, 2019 and applied retrospectively. CCCA elected the practical expedient to not include the functional expense statement for the year ended September 30, 2018.

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 and contributions receivable -

Current grants and contributions receivable are recorded at their net realizable value, which approximates fair value. Grants and contributions 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 and contributions revenue. Conditional promises to give are not included as support until the conditions are substantially met. All grants and contributions receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Advances and miscellaneous receivables -

Advances and miscellaneous receivables are stated at their unpaid balances, which approximate fair value. No interest or late fees accrue on unpaid receivables. At September 30, 2019 and 2018, 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 \$1,000 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.

CENTER FOR COMMUNITY CHANGE ACTION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

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

Property and improvements (continued) -

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.

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 (CC), is considered to be net investment income. CCCA incurred \$31,909 and \$143,370 of combined Federal and District of Columbia political organization taxes as a result of these activities during the years ended September 30, 2019 and 2018, respectively; such taxes are included in miscellaneous expenses in the accompanying Statement of Functional Expenses.

Uncertain tax positions -

For the years ended September 30, 2019 and 2018, 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.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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".
- **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.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with 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. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

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 Statement of Functional Expenses presents 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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of ASU 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of September 30, 2018 as unrestricted net assets in the amount of \$11,025,454 are now classified as "net assets without donor restrictions". Net assets previously classified as temporarily restricted net assets in the amount of \$1,968,110 are now classified as "net assets with donor restrictions".

New accounting pronouncements (not yet adopted) -

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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

New accounting pronouncements (not yet adopted) (continued) -

The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. CCCA has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 31, 2020. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

CCCA plans to adopt the new ASUs at the respective required implementation dates.

2. GRANTS AND CONTRIBUTIONS RECEIVABLE

CCCA has received commitments for support, of which \$1,130,150 and \$637,550 remained due as of September 30, 2019 and 2018, 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 and contributions receivable at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 1,029,100	\$ 635,850
One to five years	<u>101,050</u>	<u>1,700</u>
	1,130,150	637,550
Less: Present value discount	(2,813)	(51)
Less: Current portion	<u>(1,029,100)</u>	<u>(635,850)</u>
NONCURRENT PORTION	<u>\$ 98,237</u>	<u>\$ 1,649</u>

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Electoral	\$ -	\$ 20,000
Building Black and Immigrant Power	225,000	-
Special Projects Sponsored by CCCA	260,039	900,000
Time Restricted	567,337	617,500
Advancing Governing Agenda	<u>1,084,432</u>	<u>430,610</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 2,136,808</u>	<u>\$ 1,968,110</u>

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:

	<u>2019</u>	<u>2018</u>
Electoral	\$ 1,848,186	\$ 4,131,766
Special Projects Sponsored by CCCA	889,961	686
Advancing Governing Agenda	903,678	499,889
Passage of Time	<u>615,900</u>	<u>97,100</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 4,257,725</u>	<u>\$ 4,729,441</u>

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 (5% at September 30, 2019). There were no draws on the line of credit during the years ended September 30, 2019 and 2018.

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:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 5,579,633	\$ 6,066,496
Grants and contributions receivable	1,029,100	635,850
Deposits	100,000	100,000
Advances and miscellaneous receivables	<u>-</u>	<u>61,276</u>
Subtotal financial assets available within one year	6,708,733	6,863,622
Less: Donor purpose restricted funds	<u>(1,569,471)</u>	<u>(1,350,610)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 5,139,262</u>	<u>\$ 5,513,012</u>

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

5. LIQUIDITY AND AVAILABILITY (Continued)

CCCA has a policy to structure its financial assets to be available and liquid as its obligations become due. As of September 30, 2019 and 2018, CCCA has financial assets equal to approximately ten and ten 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 (CC) 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 CC 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 CC for salaries, other administrative costs, and prior to the sale of the building on March 2, 2015, for facility costs. CC reimburses CCCA for program expenses paid on CC's behalf, and leases office space from CCCA.

During the years ended September 30, 2019 and 2018, CC billed CCCA for expenses totaling \$2,067,920 and \$2,485,231, respectively, and CCCA billed CC for expenses totaling \$840,413 and \$799,657, respectively.

As of September 30, 2019 and 2018, \$183,812 and \$414,816, respectively, was due to CC from CCCA; as of those same dates, \$0 and \$17,026 were due to CCCA from CC. These amounts are included in accounts payable and accrued expenses (and advances and miscellaneous receivables) in the accompanying Statements of Financial Position.

On March 2, 2015, CCCA purchased the property (at 1536 U Street, NW, Washington, D.C.) from CC for \$6,900,000. Concurrently, CCCA entered into a five-year operating lease agreement with CC. Base rent of \$51,667 per month is required during the first year, with 3% increases annually; additionally, CC is responsible for reimbursing CCCA its proportionate share of property taxes. The lease also contains a clause for the option to renew for four additional five-year periods. Rental income received by CCCA (from CC) during the years ended September 30, 2019 and 2018 totaled \$691,034 and \$668,885, respectively. The new lease agreement is presently in the process of being renegotiated.

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

Year Ended September 30, 2020	\$ <u>287,944</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, 2019 and 2018, \$1,045,500 and \$30,000 was transferred to the SuperPAC entities (for political expenditures to be incurred by these entities), respectively.

CENTER FOR COMMUNITY CHANGE ACTION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

7. SUBSEQUENT EVENTS

In preparing these financial statements, CCCA has evaluated events and transactions for potential recognition or disclosure through March 12, 2020, the date the financial statements were issued.