

**CHRISTIAN COMMUNITY ACTION, INC.**

**Financial Statements**

December 31, 2023 and 2022

**CHRISTIAN COMMUNITY ACTION, INC.**  
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# Simione Macca & Larrow



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

**"On Balance, We Offer You More."**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Christian Community Action, Inc.  
New Haven, Connecticut

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Christian Community Action, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Christian Community Action, Inc. as of December 31, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian Community Action, 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 opinions.

#### *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.

## INDEPENDENT AUDITORS' REPORT

(Continued)

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 Christian Community Action, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government 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 and *Government 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 Christian Community Action, 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.

## INDEPENDENT AUDITORS' REPORT

(Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Community Action, 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024 on our consideration of Christian Community Action, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Christian Community Action, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Christian Community Action, Inc.'s internal control over financial reporting and compliance.

*Sunion Macca & Larow LLP*

Wallingford, Connecticut  
August 19, 2024

**CHRISTIAN COMMUNITY ACTION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023 and 2022**

| <b>ASSETS</b>                             | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                     |                     |                     |
| Cash and cash equivalents                 | \$ 399,634          | \$ 359,905          |
| Grants receivable                         | 112,379             | 259,977             |
| Contributions and other receivables       | 107,039             | 70,732              |
| Donor promises to give                    | 180,026             | 50,000              |
| Investments                               | 43,187              | 40,846              |
| Prepaid expenses and other current assets | <u>3,901</u>        | <u>4,541</u>        |
| <b>Total Current Assets</b>               | <u>846,166</u>      | <u>786,001</u>      |
| <b>PROPERTY AND EQUIPMENT</b>             |                     |                     |
| Land                                      | 150,384             | 150,384             |
| Buildings and improvements                | 2,479,854           | 2,384,180           |
| Furniture and fixtures                    | 273,520             | 57,192              |
| Equipment                                 | 58,216              | 50,718              |
| Vehicles                                  | 49,800              | 49,800              |
|   | <u>3,011,774</u>    | <u>2,692,274</u>    |
| Less accumulated depreciation             | <u>890,671</u>      | <u>825,184</u>      |
| <b>Net Property and Equipment</b>         | <u>2,121,103</u>    | <u>1,867,090</u>    |
| <b>OTHER ASSETS</b>                       |                     |                     |
| Right-of-use asset, operating leases      | <u>5,068</u>        | <u>15,504</u>       |
| <b>Total Assets</b>                       | <u>\$ 2,972,337</u> | <u>\$ 2,668,595</u> |

See notes to financial statements.

| <b>LIABILITIES AND NET ASSETS</b>       | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| <b>CURRENT LIABILITIES</b>              |                     |                     |
| Accounts payable and accrued expenses   | \$ 101,794          | \$ 47,355           |
| Deferred revenue                        | 39,580              | 74,433              |
| Current maturities of mortgage note     | 12,705              | 12,024              |
| Security deposits and tenant savings    | 6,142               | 5,335               |
| Current maturities of operating leases  | <u>2,054</u>        | <u>10,436</u>       |
| <b>Total Current Liabilities</b>        | <u>162,275</u>      | <u>149,583</u>      |
| <b>LONG-TERM LIABILITIES</b>            |                     |                     |
| Mortgage note payable                   | 283,107             | 295,812             |
| Operating lease liabilities             | <u>3,015</u>        | <u>5,068</u>        |
| <b>Total Long-Term Liabilities</b>      | <u>286,122</u>      | <u>300,880</u>      |
| <b>Total Liabilities</b>                | <u>448,397</u>      | <u>450,463</u>      |
| <b>NET ASSETS</b>                       |                     |                     |
| Without donor restriction               | 2,120,196           | 1,877,356           |
| With donor restriction                  | <u>403,744</u>      | <u>340,776</u>      |
| <b>Total Net Assets</b>                 | <u>2,523,940</u>    | <u>2,218,132</u>    |
| <b>Total Liabilities and Net Assets</b> | <u>\$ 2,972,337</u> | <u>\$ 2,668,595</u> |

**CHRISTIAN COMMUNITY ACTION, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years Ended December 31, 2023 and 2022**

|  | 2023                         |                           |                     | 2022                         |                           |                     |
|--|------------------------------|---------------------------|---------------------|------------------------------|---------------------------|---------------------|
|  | Without Donor<br>Restriction | With Donor<br>Restriction | Total               | Without Donor<br>Restriction | With Donor<br>Restriction | Total               |
|  |                              |                           |                     |                              |                           |                     |
| <b>REVENUES AND SUPPORT</b>            |                              |                           |                     |                              |                           |                     |
| Grants                                 | \$ 805,032                   | \$ -                      | \$ 805,032          | \$ 880,746                   | \$ -                      | \$ 880,746          |
| Contributions and other revenue        | 889,115                      | 402,731                   | 1,291,846           | 854,389                      | 290,638                   | 1,145,027           |
| Rental income                          | 292,238                      | -                         | 292,238             | 123,237                      | -                         | 123,237             |
| Donated property and equipment         | 119,956                      | -                         | 119,956             | -                            | -                         | -                   |
| Donated services and food              | 78,862                       | -                         | 78,862              | 63,291                       | -                         | 63,291              |
| Investment gain (loss)                 | 6,354                        | -                         | 6,354               | (4,710)                      | -                         | (4,710)             |
| Net assets released from restrictions: |                              |                           |                     |                              |                           |                     |
| Satisfaction of program restrictions   | 339,763                      | (339,763)                 | -                   | 115,473                      | (115,473)                 | -                   |
| <b>Total Revenues and Support</b>      | <b>2,531,320</b>             | <b>62,968</b>             | <b>2,594,288</b>    | <b>2,032,426</b>             | <b>175,165</b>            | <b>2,207,591</b>    |
| <b>EXPENSES</b>                        |                              |                           |                     |                              |                           |                     |
| Program services                       | 1,989,408                    | -                         | 1,989,408           | 1,530,099                    | -                         | 1,530,099           |
| Management and general                 | 172,237                      | -                         | 172,237             | 304,951                      | -                         | 304,951             |
| Fundraising                            | 126,835                      | -                         | 126,835             | 114,378                      | -                         | 114,378             |
| <b>Total Expenses</b>                  | <b>2,288,480</b>             | <b>-</b>                  | <b>2,288,480</b>    | <b>1,949,428</b>             | <b>-</b>                  | <b>1,949,428</b>    |
| Change in net assets                   | 242,840                      | 62,968                    | 305,808             | 82,998                       | 175,165                   | 258,163             |
| NET ASSETS, Beginning                  | 1,877,356                    | 340,776                   | 2,218,132           | 1,794,358                    | 165,611                   | 1,959,969           |
| NET ASSETS, Ending                     | <b>\$ 2,120,196</b>          | <b>\$ 403,744</b>         | <b>\$ 2,523,940</b> | <b>\$ 1,877,356</b>          | <b>\$ 340,776</b>         | <b>\$ 2,218,132</b> |

See notes to financial statements.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2023 and 2022**

|   | <u>2023</u>       | <u>2022</u>       |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                   |                   |
| Change in net assets  | \$ 305,808        | \$ 258,163        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                   |                   |
| Depreciation  | 104,498           | 91,219            |
| Loss on disposition of property and equipment   | 524               | -                 |
| Non-cash contribution of property and equipment   | (119,956)         | -                 |
| Reduction in carrying amount of right-of-use asset  | 10,436            | 10,057            |
| Unrealized loss (gain) on investments   | (3,251)           | 6,284             |
| Realized gain on sale of investments  | (145)             | (1,244)           |
| Contributions restricted to purchases of property and equipment                             | (1,513)           | (33,138)          |
| Changes in assets and liabilities:  |                   |                   |
| Grants receivable   | 147,598           | (159,572)         |
| Contribution and other receivables  | (36,307)          | 88,938            |
| Donor promises to give  | (130,026)         | (50,000)          |
| Prepaid expenses and other current assets   | 640               | 3,995             |
| Accounts payable and accrued expenses   | 54,439            | (42,007)          |
| Deferred revenue  | (34,853)          | 57,130            |
| Operating lease liability   | (10,435)          | (10,057)          |
| Security deposits and tenant savings  | 807               | 2,990             |
| <b>Net Cash Provided by Operating Activities</b>  | <u>288,264</u>    | <u>222,758</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                   |                   |
| Purchases of property and equipment   | (239,079)         | (62,982)          |
| Purchases of investments  | (613)             | (261)             |
| Proceeds from sale of investments   | 1,668             | 1,607             |
| <b>Net Cash Used in Investing Activities</b>  | <u>(238,024)</u>  | <u>(61,636)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                   |                   |
| Contributions restricted to purchases of property and equipment                             | 1,513             | 33,138            |
| Repayments of mortgage note payable   | (12,024)          | (11,335)          |
| <b>Net Cash Provided by (Used in) Financing Activities</b>                                  | <u>(10,511)</u>   | <u>21,803</u>     |
| Net increase in cash and cash equivalents   | 39,729            | 182,925           |
| <b>CASH AND CASH EQUIVALENTS, Beginning</b>   | <u>359,905</u>    | <u>176,980</u>    |
| <b>CASH AND CASH EQUIVALENTS, Ending</b>  | <u>\$ 399,634</u> | <u>\$ 359,905</u> |

See notes to financial statements.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2023**

|  | Program Services  |                   |                   |                   |                   |                     | Supporting Services |                   |                     |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
|  | Hillside Family   |                   | Advocacy and      |                   | Total Program     |                     | Management          |                   |                     |
|  | Shelter           | CORE              | Education         | ARISE             | New HOPE          | Services            | and General         | Fundraising       | Total               |
| Salaries                                   | \$ 352,133        | \$ 182,340        | \$ 91,609         | \$ 150,231        | \$ 155,173        | \$ 931,486          | \$ 26,276           | \$ 95,325         | \$ 1,053,087        |
| Fringe benefits and payroll taxes          | 46,065            | 18,808            | 10,641            | 19,795            | 25,070            | 120,379             | 2,062               | 8,209             | 130,650             |
| Total salaries and related                 | 398,198           | 201,148           | 102,250           | 170,026           | 180,243           | 1,051,865           | 28,338              | 103,534           | 1,183,737           |
| Utilities                                  | 82,244            | 4,192             | 2,687             | 21,306            | 58,619            | 169,048             | 690                 | 1,879             | 171,617             |
| Emergency assistance                       | 48                | 133,824           | -                 | -                 | -                 | 133,872             | -                   | -                 | 133,872             |
| Depreciation                               | 40,455            | 3,351             | 2,755             | 5,194             | 50,791            | 102,546             | 366                 | 1,586             | 104,498             |
| Insurance                                  | 25,228            | 4,675             | 2,046             | 7,196             | 38,344            | 77,489              | 2,998               | 1,822             | 82,309              |
| Contracted services                        | 31,657            | 4,590             | 2,133             | 6,891             | 32,207            | 77,478              | 1,401               | 3,355             | 82,234              |
| Bookkeeping                                | -                 | -                 | -                 | -                 | -                 | -                   | 81,802              | -                 | 81,802              |
| Miscellaneous                              | 37,224            | 30,585            | 932               | 836               | 828               | 70,405              | 3,384               | 4,914             | 78,703              |
| Repairs and maintenance                    | 37,852            | 2,805             | 1,548             | 4,071             | 17,879            | 64,155              | 1,892               | 1,846             | 67,893              |
| Office supplies and expense                | 27,376            | 8,814             | 5,148             | 3,339             | 6,233             | 50,910              | 9,992               | 3,663             | 64,565              |
| Telephone                                  | 19,036            | 5,252             | 3,137             | 9,075             | 11,946            | 48,446              | 815                 | 3,183             | 52,444              |
| Consultants                                | 19                | 36                | 5,261             | 10                | 2,701             | 8,027               | 17,799              | 34                | 25,860              |
| Conferences and meetings                   | 735               | 2,586             | 13,714            | 2,857             | 1,064             | 20,956              | 2,576               | -                 | 23,532              |
| Professional fees                          | -                 | -                 | -                 | -                 | -                 | -                   | 18,150              | -                 | 18,150              |
| Interest expense                           | -                 | 5                 | -                 | 17,873            | 12                | 17,890              | 11                  | -                 | 17,901              |
| Travel                                     | 1,806             | 2,008             | 2,331             | 535               | 1,436             | 8,116               | 1,023               | 346               | 9,485               |
| Newsletter                                 | 1,956             | 1,201             | 435               | 706               | 924               | 5,222               | 109                 | 489               | 5,820               |
| Education and training                     | (30)              | -                 | 1,551             | 1,604             | -                 | 3,125               | -                   | -                 | 3,125               |
| Data processing expense                    | 166               | 166               | 124               | 83                | 124               | 663                 | 41                  | 124               | 828                 |
| Postage                                    | 60                | 93                | 60                | 60                | 60                | 333                 | 326                 | 60                | 719                 |
| Loss on disposal of property and equipment | -                 | -                 | -                 | -                 | -                 | -                   | 524                 | -                 | 524                 |
|  | 704,030           | 405,331           | 146,112           | 251,662           | 403,411           | 1,910,546           | 172,237             | 126,835           | 2,209,618           |
| Donated food                               | -                 | 78,862            | -                 | -                 | -                 | 78,862              | -                   | -                 | 78,862              |
| <b>Total Expenses</b>                      | <b>\$ 704,030</b> | <b>\$ 484,193</b> | <b>\$ 146,112</b> | <b>\$ 251,662</b> | <b>\$ 403,411</b> | <b>\$ 1,989,408</b> | <b>\$ 172,237</b>   | <b>\$ 126,835</b> | <b>\$ 2,288,480</b> |

See notes to financial statements.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2022**

|                                   | Program Services  |                   |                   |                   |                   |                        | Supporting Services |                   |                     |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|---------------------|-------------------|---------------------|
|                                   | Hillside Family   |                   | Advocacy and      |                   |                   | Total Program Services | Management          |                   | Total               |
|                                   | Shelter           | CORE              | Education         | ARISE             | New HOPE          |                        | and General         | Fundraising       |                     |
| Salaries                          | \$ 353,045        | \$ 132,742        | \$ 83,861         | \$ 96,806         | \$ 62,019         | \$ 728,473             | \$ 63,908           | \$ 87,948         | \$ 880,329          |
| Fringe benefits and payroll taxes | 57,836            | 17,035            | 11,284            | 14,539            | 10,298            | 110,992                | 7,343               | 9,746             | 128,081             |
| Total salaries and related        | 410,881           | 149,777           | 95,145            | 111,345           | 72,317            | 839,465                | 71,251              | 97,694            | 1,008,410           |
| Utilities                         | 61,697            | 3,034             | 1,443             | 27,418            | 23,085            | 116,677                | 31,089              | 1,322             | 149,088             |
| Emergency assistance              | -                 | 119,836           | -                 | -                 | -                 | 119,836                | -                   | -                 | 119,836             |
| Depreciation                      | 30,057            | 2,205             | 1,506             | 12,389            | 18,286            | 64,443                 | 26,776              | -                 | 91,219              |
| Contracted services               | 29,617            | 2,662             | 265               | 9,754             | 9,907             | 52,205                 | 26,820              | 997               | 80,022              |
| Insurance                         | 19,191            | 4,360             | 2,156             | 7,466             | 14,923            | 48,096                 | 27,616              | 1,956             | 77,668              |
| Bookkeeping                       | -                 | 5,691             | -                 | -                 | -                 | 5,691                  | 61,429              | -                 | 67,120              |
| Repairs and maintenance           | 34,117            | 2,958             | 1,671             | 4,001             | 14,685            | 57,432                 | 5,085               | 1,332             | 63,849              |
| Office supplies and expense       | 30,430            | 6,166             | 5,244             | 4,675             | 987               | 47,502                 | 8,851               | 3,756             | 60,109              |
| Telephone                         | 18,066            | 4,855             | 3,788             | 8,219             | 3,825             | 38,753                 | 6,447               | 3,237             | 48,437              |
| Miscellaneous                     | 12,747            | 13,322            | 190               | 1,067             | 1,101             | 28,427                 | 9,164               | 2,572             | 40,163              |
| Interest expense                  | -                 | -                 | -                 | 18,561            | -                 | 18,561                 | 40                  | -                 | 18,601              |
| Professional fees                 | -                 | -                 | -                 | -                 | -                 | -                      | 15,500              | -                 | 15,500              |
| Consultants                       | 10                | 10                | 1,773             | 5                 | 845               | 2,643                  | 12,380              | 5                 | 15,028              |
| Conferences and meetings          | 1,178             | 4,492             | 5,768             | 2,045             | 681               | 14,164                 | 302                 | 165               | 14,631              |
| Travel                            | 2,232             | 1,817             | 1,146             | 1,143             | 402               | 6,740                  | 1,131               | 461               | 8,332               |
| Newsletter                        | 1,218             | 1,121             | 673               | 407               | 432               | 3,851                  | 603                 | 645               | 5,099               |
| Education and training            | 931               | -                 | 288               | -                 | -                 | 1,219                  | -                   | -                 | 1,219               |
| Postage                           | 120               | 120               | 120               | 201               | -                 | 561                    | 258                 | 120               | 939                 |
| Data processing expense           | 167               | 167               | 125               | 83                | -                 | 542                    | 209                 | 116               | 867                 |
|                                   | 652,659           | 322,593           | 121,301           | 208,779           | 161,476           | 1,466,808              | 304,951             | 114,378           | 1,886,137           |
| Donated food                      | -                 | 63,291            | -                 | -                 | -                 | 63,291                 | -                   | -                 | 63,291              |
| <b>Total Expenses</b>             | <b>\$ 652,659</b> | <b>\$ 385,884</b> | <b>\$ 121,301</b> | <b>\$ 208,779</b> | <b>\$ 161,476</b> | <b>\$ 1,530,099</b>    | <b>\$ 304,951</b>   | <b>\$ 114,378</b> | <b>\$ 1,949,428</b> |

See notes to financial statements.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Business*** - Christian Community Action, Inc. (the “Organization”) is a tax-exempt, non-stock corporation providing direct and indirect assistance to homeless families in the Greater New Haven, Connecticut area. Assistance is available through various programs as described below:

**Hillside Emergency Family Shelter** has locations at three sites in The Hill neighborhood, provides emergency housing in a furnished apartment (17 total apartments available) and supportive services that include securing and maintaining employment, obtaining basic life skills, and moving to permanent housing.

**CORE** (also referred to as the Neighborhood Assistance Program) meets families basic needs through the client-choice food pantry, diaper distribution, assistance with utilities and heating, and referrals for other services. This program also addresses immediate needs of families, senior citizens, and individuals with disabilities in The Hill neighborhood; and offers short-term motel placement to families experiencing homelessness in New Haven.

**Advocacy and Education Program** seeks to change systems that perpetuate poverty and injustice by using data, creating opportunities for people to use their voices and experiences to improve their quality of life, create a pathway to independence, and engaging in grassroots advocacy through Mothers and Others for Justice (MOFJ).

**ARISE (Accessing Resources for Independence, Skill-building, and Employment) Center** meets the employment and supportive needs of families by incorporating a multi-generational approach (i.e. heads of household and children in the Organization’s housing programs) and through the Organization’s emergency assistance programs that are designed to prevent a first experience or a return to homelessness.

**New HOPE (Higher Opportunities, Purpose, and Expectations) Housing Program** is a “Moving-to-Work” pilot program, in partnership with Elm City Communities/Housing Authority of New Haven, which provides housing and supportive services (e.g. employment related and other services to families that are homeless, or at risk of homelessness) in a furnished apartment (18 total apartments available) for up to 36 months. It seeks to create and implement a plan to increase family income, stability and level of self-sufficiency.

These services are funded primarily by contributions and grants from individuals, foundations, public agencies, and religious organizations.

***Basis of Presentation*** - In accordance with Accounting Standards Codification (“ASC”) Topic 958-205 *Not for Profit Entities, Presentation of Financial Statements*, the Organization reports information regarding their financial position and activities according to two classes of net assets:

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation - (Continued)***

***Net Assets Without Donor Restrictions*** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

***Net Assets With Donor Restrictions*** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the fund be maintained in perpetuity.

***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 amounts 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.

***Cash and Cash Equivalents*** - The Organization considers short-term, highly liquid investments with maturities of three months or less from the date of original acquisition to be cash equivalents.

***Investments*** - Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the Statements of Financial Position, and changes in fair value are reported as investment income in the Statements of Activities and Changes in Net Assets.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the Statements of Activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

***Donor Promises to Give*** - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met.

***Fair Value Measurements*** - The Organization follows the guidance in ASC Topic 820 *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment** - It is the Organization's policy to capitalize property and equipment over \$1,000. Property and equipment is carried at cost, or if donated, at the approximate fair value at the date of donation. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated lives of the assets which range from five to thirty years.

**Leases** - Effective January 1, 2022 the Organization's leases are recorded as right-of-use ("ROU") assets and corresponding liabilities on the Statement of Financial Position, measured at the net present value of future lease payments. ROU assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. At inception, leases are classified as either operating or finance. Operating lease expenses are recorded on a straight-line basis as lease expense over the non-cancelable lease term.

The Organization discounts cash flows based on the rate implicit in the lease, however, when that rate is not determinable, rather than use the Organization's incremental borrowing rate, the Organization has elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities.

The Organization does not apply the recognition requirements to any lease with an original term of twelve months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases are recorded on a straight-line basis over the lease term.

The Organization also receives rental income with respect to two owned buildings. This income is recognized on the accrual basis.

**Grants** - In accordance with ASU ("Accounting Standards Update") 2018-08, grants from government agencies are accounted for as conditional contributions. Conditional contributions are recorded when the condition has been satisfied. Grant funds received prior to satisfaction of the condition are reported as deferred revenue. Conditions satisfied in advance of grant funds being received are reported as a receivable.

**Contributions** - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor imposed restrictions. Contributions are defined as voluntary, nonreciprocal transfers. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues** - The Organization recognizes contributions when cash, securities, promises to give (unconditional), notifications of beneficial interests, or other assets are received. Conditional promises to give (that is, those with measurable performance or other barriers and a right of return) are not recognized until the conditions on which they depend have been met. As of December 31, 2023 and 2022, there is \$0 and \$40,000 of conditional contributions, respectively, that will be recognized upon satisfaction of the donor's condition. A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and other contracts and grants, which are conditioned upon certain performance requirements or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statements of Financial Position. The Organization received cost-reimbursable grants and contracts of \$220,361 and \$493,659 that have not yet been recognized as of December 31, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred, with deferred revenue of \$39,580 and \$74,433 reported in the Statements of Financial Position at December 31, 2023 and 2022.

Non-grant cost-reimbursable contracts of \$209,755 and \$136,193 have been included within contributions and other revenue in the Statements of Activities for the years ended December 31, 2023 and 2022, respectively.

**Income Taxes** - A not-for-profit organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is exempt from State and Federal income taxes. The Internal Revenue Service has determined that the Organization is other than a private foundation.

ASC Topic 740 *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109* provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon adoption of ASC Topic 740 and in subsequent periods. Management is not aware of any uncertain tax positions taken by the Organization as of that date. Tax years ended December 31, 2019, through December 31, 2023 remain subject to examination by major tax jurisdictions.

**Donated Services, Food and Materials** - The Organization recognizes donated services if they create or enhance non-financial assets or require specialized skills that would typically be purchased. General volunteer services do not meet these criteria for recognition in the financial statements. However, a substantial number of volunteers have donated significant amounts of time to the Organization's programs. Donated food and materials are recorded at fair value at the date of gift based upon purchase price if the Organization were to have bought the items itself. Contributed food and materials are utilized in advocacy and education programs and are never monetized.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Functional Expenses*** - The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

| <u>Expense</u>                    | <u>Method of Allocation</u> |
|-----------------------------------|-----------------------------|
| Salaries                          | Time and effort             |
| Fringe benefits and payroll taxes | Time and effort             |
| Utilities                         | Utility of service          |
| Depreciation                      | Utility of assets           |
| Contracted services               | Utility of service          |
| Insurance                         | Liability and coverage      |
| Bookkeeping                       | Time and effort             |
| Repairs and maintenance           | Utility of assets           |
| Office supplies and expense       | Utility of purchase         |
| Telephone                         | Utility of service          |
| Miscellaneous                     | Utility of purchase         |
| Interest expense                  | Utility of funds            |
| Consultants                       | Time and effort             |
| Conferences and meetings          | Time and effort             |
| Travel                            | Time and effort             |
| Newsletter                        | Purpose of production       |
| Postage                           | Utility of service          |
| Data processing expense           | Utility of service          |

***Disclosure of Subsequent Events*** - Management has evaluated subsequent events through August 19, 2024, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the statement of financial position date which would require additional adjustment to, or disclosure in, the accompanying financial statements.

**NOTE 2 - RECENT ACCOUNTING PRONOUNCEMENTS**

Effective January 1, 2022 the Organization adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842) and additional ASUs issued to clarify and update guidance thereon. This standard modifies lease accounting for lessees to increase transparency and comparability, and requires enhanced disclosure surrounding the amount, timing and uncertainty of cash flows arising from leasing agreements. The Organization adopted the new lease standards using the modified retrospective transition method, under which amounts in prior periods presented were not restated. Upon transition to Topic 842, the Organization has elected the package of practical expedients

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - RECENT ACCOUNTING PRONOUNCEMENTS (Continued)**

permitted under the transition guidance, which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification, and initial direct lease costs. Upon adoption, the Organization recorded an operating lease ROU asset and lease liability of \$19,076.

During 2022, the Organization adopted FASB ASU No. 2020-07, Not-for-Profit Entities (Topic 958) regarding in-kind contributions. The standard implements a requirement to separately state contributed non-financial assets on the Statement of Activities and improves on disclosure of the use and the Organization's policies surrounding contributed non-financial assets. The standard is adopted retrospectively, to all periods presented in these financial statements. The adoption of this standard has no effect on net assets or the changes in net assets as previously presented.

**NOTE 3 - CREDIT RISK**

At certain times, the Organization has amounts on deposit with financial institutions in excess of the FDIC insured limit. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2023, the aggregate cash balances at the financial institutions used by the Organization exceeded the federally insured limit by \$160,895. The Organization holds a cash balance at an institution which is not insured by the FDIC. There was no material risk in this holding due to being uninsured as of December 31, 2023.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of marketable securities. Investments are managed and reviewed to prevent risks caused by concentration.

**NOTE 4 - INVESTMENTS**

Effective January 2007, the Organization entered into an agreement with The Community Foundation for Greater New Haven to collect contributions and maintain amounts received in a pooled fund of securities on the Organization's behalf. Terms of the agreement include a normal distribution of 5.5% of the market value on an annual basis. However, the Organization can withdraw funds as needed with thirty days advance notice. There were no contributions to the Foundation in 2023 and 2022. The Organization also maintains a mutual fund through Calvert Investments.

The Organization follows the guidance contained in ASC Topic 820 *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements. ASC 820 establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - INVESTMENTS (Continued)**

upon the lowest level of input that is available and significant to the fair value measurement. ASC 820 establishes and prioritizes three levels of inputs that may be used to measure fair value.

*Level 1* - Quoted prices in active markets for identical assets or liabilities.

*Level 2* - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation methodologies include, but are not limited to, discounted cash flow analysis, comparable asset analysis, third-party appraisals, third-party pricing services, and other applicable indices.

The Organization follows the guidance in Accounting Standards Update ("ASU") 2015-07 which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value ("NAV") per share as quoted on a private market that is not active.

The following table presents the Organization's investments measured at fair value on a recurring basis at December 31, 2023 and 2022:

| Description                                       | Total     | Level 1   | Level 2 | Level 3 |
|---|-----------|-----------|---------|---------|
| Mutual fund                                       | \$ 10,141 | \$ 10,141 | \$ -    | \$ -    |
| Total assets in the fair value hierarchy          | 10,141    | \$ 10,141 | \$ -    | \$ -    |
| Investments measured at net asset value           | 33,046    |           |         |         |
| Investments at fair value as of December 31, 2023 | \$ 43,187 |           |         |         |

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - INVESTMENTS** (Continued)

| Description                                       | Total            | Level 1  | Level 2 | Level 3 |
|---|------------------|----------|---------|---------|
| Mutual fund                                       | \$ 9,563         | \$ 9,563 | \$ -    | \$ -    |
| Total assets in the fair value hierarchy          | 9,563            | \$ 9,563 | \$ -    | \$ -    |
| Investments measured at net asset value           | <u>31,283</u>    |          |         |         |
| Investments at fair value as of December 31, 2022 | <u>\$ 40,846</u> |          |         |         |

The investment strategy on the investments measured at net asset value is a total return approach, which does not distinguish between an asset's yield and appreciation, but rather on the total expected return of the assets over the long term. The investment at the Community Foundation for Greater New Haven, which was \$33,046 and \$31,283 at December 31, 2023 and 2022, respectively, follows an asset allocation of 50% equities, 32.5% alternative investments, and 17.5% bonds. There are no unfunded commitments at December 31, 2023 and 2022 and funds may be redeemed in total with 60 days advance notice.

**NOTE 5 - DONOR PROMISES TO GIVE**

In 2022 the Organization received a 5 year promise to give from a donor with the pledged amount expected to be received over several years. Amounts receivable from the donor that were recorded as promises to give as of December 31, 2023 were calculated as follows:

|   | 2023              | 2022             |
|---|-------------------|------------------|
| Amounts due:                                      |                   |                  |
| In less than one year                             | \$ 50,000         | \$ 50,000        |
| One year to five years (future value)             | <u>150,000</u>    | <u>200,000</u>   |
|   | 200,000           | 250,000          |
| Less present value discounts                      | (19,974)          | (32,534)         |
| Less estimated reserve for uncollectible promises | <u>-</u>          | <u>(167,466)</u> |
| Total Donor Promises to Give                      | <u>\$ 180,026</u> | <u>\$ 50,000</u> |

The portion of the donor promise that will be received after one year is discounted at 7.50%. The Organization had previously estimated a reserve for uncollectible promises of \$167,466 as of December 31, 2022. The uncertainty regarding collectability was resolved as of December 31, 2023 and the allowance has been reversed.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - DEFERRED REVENUE**

Deferred revenue consists of the following at December 31, 2023 and 2022:

|                                    | 2023          | 2022          |
|------------------------------------|---------------|---------------|
| Clifford Beers                     | \$ 38,553     | \$ -          |
| CT Department of Housing           | - -           | 58,028        |
| Emergency Food and Shelter Program | 1,027         | 16,405        |
| <br>Total Deferred Revenue         | <br>\$ 39,580 | <br>\$ 74,433 |

**NOTE 7 - REVOLVING LINE OF CREDIT**

The Organization has a revolving line of credit agreement with Key Bank payable on demand. The line provides for borrowings up to \$100,000 and is secured by substantially all assets of the Organization. There was no amount outstanding at December 31, 2023 or 2022. Interest on borrowings is due monthly and is calculated at 1% over the bank's prime rate (9.50% at December 31, 2023).

**NOTE 8 - AVAILABILITY AND LIQUIDITY**

| Financial Assets at year end:  | 2023           | 2022           |
|--|----------------|----------------|
| Cash and cash equivalents  | \$ 399,634     | \$ 359,905     |
| Grants receivable  | 112,379        | 259,977        |
| Contributions and other receivables  | 107,039        | 70,732         |
| Donor promises to give   | 180,026        | 50,000         |
| Investments  | <u>43,187</u>  | <u>40,846</u>  |
| <br>Total financial assets   | <br>842,265    | <br>781,460    |
| <br>Less amounts not available to be used within one year:                                 |                |                |
| Net assets with donor restriction  | 403,744        | 340,776        |
| Less net assets with a purpose restriction to<br>be met in less than one year              | (273,718)      | (340,776)      |
| Board designated net assets  | <u>33,046</u>  | <u>31,283</u>  |
|  | <u>163,072</u> | <u>31,283</u>  |
| <br>Financial assets available to meet general expenditures<br>over the next twelve months | <br>\$ 679,193 | <br>\$ 750,177 |

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - AVAILABILITY AND LIQUIDITY** (Continued)

The Organization plans to have sufficient financial assets to meet obligations as they come due. In addition to the financial assets available, the Organization also has access to a line of credit of \$100,000, of which \$100,000 is available at both December 31, 2023 and 2022. In order to protect against unforeseen events creating liquidity issues in the course of business, the Organization holds a business interruption insurance policy. This policy covers lost earnings from significant events interrupting business operations in order to fund ongoing costs such as utilities, maintenance, etc.

**NOTE 9 - MORTGAGE NOTE PAYABLE**

During 2018, the Organization acquired a building primarily financed through a mortgage in the amount of \$350,000 from a local bank to be repaid in monthly payments of \$2,491 including interest at 5.83%. The mortgage matures in November 2038. The outstanding mortgage balance at December 31, 2023 and 2022 was \$295,812 and \$307,836, respectively.

Scheduled principal repayments on the mortgage note payable at December 31, 2023 are as follows:

| <u>Year Ending</u><br><u>December 31,</u> |                       |
|---|-----------------------|
| 2024                                      | 12,705                |
| 2025                                      | 13,526                |
| 2026                                      | 14,348                |
| 2027                                      | 15,219                |
| 2028                                      | 16,103                |
| Thereafter                                | <u>223,911</u>        |
| <br>Total Mortgage Note Payable           | <br><u>\$ 295,812</u> |

**NOTE 10 - LEASES**

The Organization has two leases for office equipment, one for 36 months ending in January 2024 and the other for 60 months beginning in April 2022 and ending in March 2027 with monthly payments of \$769 and \$115 respectively. Both leases will continue on a month-to-month basis at the time of expiration, unless the equipment is returned or purchased. The Organization does not expect to continue these iterations of the leases after their expiration.

Total lease expense under the capitalized operating lease arrangement was \$10,608 and \$10,263 for the years ended December 31, 2023 and 2022, respectively.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - LEASES (Continued)**

Cash paid for the Organization's capitalized operating lease was \$10,608 and \$10,263 for the years ended December 31, 2023 and 2022, respectively.

The weighted average remaining lease term is 2.77 years and 2.22 years as of December 31, 2023 and 2022, respectively. The weighted average discount rate is 2.51% and 2.19% as of December 31, 2023 and 2022.

As of December 31, 2023, minimum future payments under lease obligations are as follows:

| Year Ending<br>December 31,                     | Operating<br>Lease |
|---|--------------------|
| 2024  | \$ 2,149           |
| 2025  | 1,380              |
| 2026  | 1,380              |
| 2027  | <u>345</u>         |
| <br>Total scheduled payments                    | 5,254              |
| Less imputed interest                           | <u>185</u>         |
| <br>Present value of net minimum lease payments | 5,069              |
| Less current portion                            | <u>2,054</u>       |
| <br>Long-term lease liabilities                 | <u>\$ 3,015</u>    |

The Organization owns a building in New Haven with 18 apartment units available for lease to qualified tenant families under the New HOPE program. The leases of these units are structured as one year leases with monthly rentals ranging from \$1,181 to \$1,684 which are supplemented by the New Haven Housing Authority. The leases automatically renew each year unless they are modified or terminated in advance in writing. The total amount of rental income recognized by Christian Community Action, Inc. was \$257,298 and \$82,452 in 2023 and 2022, respectively.

Future payments expected to be received under these lease agreements as of December 31, 2023 consist of \$184,801 in 2024.

The Organization also has a month-to-month agreement for a few church organizations to rent the ARISE building for the use of the Organization's program participants. The churches typically rent the building for a total of \$3,130 per month and total rental income from the ARISE rental program was \$34,850 in 2023 and \$37,590 in 2022.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - NET ASSETS**

Net assets with donor restrictions are available at December 31, 2023 and 2022 for the following purposes:

|  | 2023                  | 2022                  |
|--|-----------------------|-----------------------|
| ARISE  | \$ 19,916             | \$ 19,858             |
| Kathy Carroll Playground                     | 5,892                 | 99,886                |
| Advocacy and Education                       | 49,809                | 39,059                |
| Basic Needs                                  | 14,458                | 23,835                |
| Employment Specialists                       | 53,633                | 67,919                |
| Mothers and Others for Justice               | 33,069                | -                     |
| Time restricted                              | 180,026               | 50,000                |
| Other Purposes                               | <u>46,941</u>         | <u>40,219</u>         |
| <br>Total Net Assets with Donor Restrictions | <br><u>\$ 403,744</u> | <br><u>\$ 340,776</u> |

Net assets released from restriction during 2023 for which program restrictions were satisfied consist of the following:

|   |                       |
|---|-----------------------|
| ARISE   | \$ 3,191              |
| Kathy Carroll Playground                              | 130,549               |
| Advocacy and Education                                | 40,294                |
| Basic Needs   | 21,777                |
| Mothers and Others for Justice                        | 45,887                |
| Employment Specialists                                | 32,286                |
| Time restricted                                       | 50,000                |
| Other Purposes  | <u>15,779</u>         |
| <br>Total Net Assets Released from Donor Restrictions | <br><u>\$ 339,763</u> |

Net assets without donor restrictions for the years ended December 31, 2023 and 2022 are as follows:

|   | 2023                    | 2022                    |
|---|-------------------------|-------------------------|
| Undesignated                                    | \$ 2,087,150            | \$ 1,846,073            |
| Board Designated                                | <u>33,046</u>           | <u>31,283</u>           |
| <br>Total Net Assets without Donor Restrictions | <br><u>\$ 2,120,196</u> | <br><u>\$ 1,877,356</u> |

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - NET ASSETS (Continued)**

The Board of Directors has designated \$33,046 and \$31,283 of its net assets without donor restrictions, as of December 31, 2023 and 2022, respectively, for investment with the Community Foundation for Greater New Haven, Inc. This investment will be used to fund operations in the event of significant, unanticipated reductions in net assets of the Organization.

**NOTE 12 - GRANTS**

Grants as reported in the Statements of Activities and Changes in Net Assets consist of the following at December 31, 2023 and 2022:

|                   | <u>2023</u>       | <u>2022</u>       |
|-------------------|-------------------|-------------------|
| Federally sourced | \$ 261,769        | \$ 342,951        |
| State sourced     | <u>543,263</u>    | <u>537,795</u>    |
| Total Grants      | <u>\$ 805,032</u> | <u>\$ 880,746</u> |

**NOTE 13 - EMPLOYEE RETIREMENT PLAN**

The Organization maintains a non-contributory Simplified Employee Pension Plan covering substantially all employees. The Plan provides for contributions equal to a percentage of employees' salaries. There were no contributions for 2023 or 2022.

**NOTE 14 - SUPPLEMENTARY CASH FLOW INFORMATION**

The Organization uses the indirect method when presenting its cash flow from operating activities in the Statements of Cash Flows. Therefore, the Organization is required to disclose the following supplementary information:

|               | <u>2023</u>      | <u>2022</u>      |
|---------------|------------------|------------------|
| Interest paid | <u>\$ 17,901</u> | <u>\$ 18,601</u> |

The Organization is also required to disclose non-cash investing and financing activities not included in the Statements of Cash Flows. During the year ended December 31, 2022, the Organization acquired a right of use asset for equipment by entering into an operating lease in the amount of \$6,485.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 - IN-KIND DONATIONS**

The value of donated food meeting the recognition criteria of ASC Topic 958-205 *Not for Profit Entities, Presentation of Financial Statements* is included in the financial statements as both revenue and expense.

During 2023, individuals, businesses, and houses of worship made donations of food, consisting of groceries and turkeys, to the Organization with an estimated value of \$78,862. The Organization then provided this food to individuals and families in need. The \$78,862 has been recognized in the financial statements as both revenue and expense. During 2022, donated food with an estimated value of \$63,291 was recognized in the financial statements as both revenue and expense.

During 2023, the Organization received an in-kind donation of a playground from the Where Angels Play Foundation with an estimated value of \$250,000. The Organization paid Where Angels Play \$130,044 utilizing donations that had been received at the time of the playground donation. Therefore, an in-kind donation of \$119,956 was recorded as of December 31, 2023.

Additionally, the Organization receives donations of clothing, household goods, and furniture from individuals. The Organization makes these items available to persons in need on a first come-first served basis. No value has been reflected in the financial statements for these donations.

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CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

**"On Balance, We Offer You More."**

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Christian Community Action, Inc.  
New Haven, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Christian Community Action, Inc. (the "Organization") (a nonprofit organization) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

(Continued)

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Simone Mecca & Larow LLP*

Wallingford, Connecticut  
August 19, 2024

# Simione Macca & Larrow



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

**"On Balance, We Offer You More."**

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Directors  
Christian Community Action, Inc.  
New Haven, Connecticut

### **Report on Compliance for Each Major State Program**

#### *Opinion on Major State Program*

We have audited Christian Community Action, Inc.'s ("the Organization") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on the Organization's major state program for the year ended December 31, 2023. The Organization's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended December 31, 2023.

#### *Basis for Opinion on Major State Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

(Continued)

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's state programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the Organization as of and for the year ended December 31, 2023, and have issued our report thereon dated August 19, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

(Continued)

required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Simone Macca & Larow LLP*

Wallingford, Connecticut

August 19, 2024

**CHRISTIAN COMMUNITY ACTION, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2023**

| State Grantor/Pass-Through Grantor<br>Program Title | State Grant<br>Program CORE-CT<br>Number | Expenditures             |
|---|--|--------------------------|
| <b>DEPARTMENT OF HOUSING</b>                        |  |                          |
| Emergency Shelter Grant                             | 11000-DOH46920-16149-1200901             | \$ 452,450               |
| Emergency Shelter Grant- COLA                       | 12060-DOH46920-90756                     | 11,948                   |
| Youth Transitional Living Program                   | 11000-DOH46920-16149-1200909             | 77,353                   |
| Flexible Housing Grant                              | 11000-DOH46915-40240                     | <u>1,512</u>             |
| <b>Total State Financial Assistance</b>             |  | <b><u>\$ 543,263</u></b> |

See notes to schedule of expenditures of state financial assistance.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2023**

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of Christian Community Action, Inc. under programs of the State of Connecticut for the year ended December 31, 2023. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the schedule presents only a selected portion of the operations of Christian Community Action, Inc., it is not intended and does not present the financial position, changes in net assets, or cash flows of Christian Community Action, Inc.. These financial assistance programs have funded the Organization's Hillside Family Shelter and ARISE programs.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Christian Community Action, Inc. conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

***Basis of Accounting***

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

**CHRISTIAN COMMUNITY ACTION, INC.**  
**SCHEDEULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2023**

**I. SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' opinion issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**STATE FINANCIAL ASSISTANCE**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified  yes  none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

yes  no

- The following schedule reflects the major state program included in the audit:

| <b><u>State Grantor and Program</u></b>                                 | <b><u>State Core-CT Number</u></b> | <b><u>Expenditures</u></b> |
|---|------------------------------------|----------------------------|
| Department of Housing<br>Emergency Shelter Grant                        | 11000-DOH46920-16149               | \$ 452,450                 |
| Dollar threshold used to distinguish between type A and type B programs |                                    | \$ 100,000                 |

**CHRISTIAN COMMUNITY ACTION, INC.**  
**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended December 31, 2023**

**II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated August 19, 2024, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no material weaknesses.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No findings or questioned costs are reported relating to State Financial Assistance Program.