CENTER FOR CONSTITUTIONAL RIGHTS

INDEPENDENT AUDITOR'S REPORT
ON
FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

AND

FOR THE YEAR THEN ENDED

Winnie Tam & Co., P.C.

CENTER FOR CONSTITUTIONAL RIGHTS

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Center for Constitutional Rights
New York, New York

Opinion

We have audited the accompanying financial statements of Center for Constitutional Rights (a non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Constitutional Rights as of June 30, 2022, and the changes in its net assets and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Constitutional Rights and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Constitutional Rights's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform auditing 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 Center for Constitutional Rights's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for Constitutional Rights'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 matters that we identified during the audit.

Winnie Yam & Co., P.C.

New York, New York
January 12, 2023

CENTER FOR CONSTITUTIONAL RIGHTS
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total All Funds
ASSETS			
Current Assets			
Cash and cash equivalents	$ 61,193	$ 3,682,581	$ 3,743,774
Investments - Notes 2 and 4	21,299,051		21,299,051
Accounts and accrued interest receivable	64,770		64,770
Legal awards receivable	308,027		308,027
Pledges, grants and contributions receivable - Notes 2 and 5	79,584	2,312,350	2,391,934
Prepaid expenses	177,888		177,888
Total Current Assets	21,990,513	5,994,931	27,985,444
Non-Current Assets			
Investments restricted for endowment - Notes 2 and 4	1,736,564	3,395,064	5,131,628
Pledges and grants receivable - Notes 2 and 5		2,228,334	2,228,334
Utility deposits	4,880		4,880
Property and equipment, at cost, net of accumulated depreciation and amortization of $2,887,930 - Notes 2 and 6	5,716,545		5,716,545
Art work	57,327		57,327
Total Assets	$ 29,505,829	$ 11,618,329	$ 41,124,158
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Accounts and accrued expenses payable	$ 649,725		$ 649,725
Legal awards payable	98,000		98,000
Deferred event revenue	33,470		33,470
Annuity payment liability - Note 11	51,377		51,377
Total Current Liabilities	832,572		832,572
Non-Current Liability			
Annuity payment liability - Note 11	284,116		284,116
Total Liabilities	1,116,688		1,116,688
NET ASSETS			
Without donor restrictions:			
Undesignated	8,543,888		8,543,888
Board designated funds - Note 7	19,845,253		19,845,253
With donor restrictions - Note 9		$ 11,618,329	11,618,329
Total Net Assets	28,389,141	11,618,329	40,007,470
Total Liabilities and Net Assets	$ 29,505,829	$ 11,618,329	$ 41,124,158

See accompanying notes to financial statements.

CENTER FOR CONSTITUTIONAL RIGHTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total All Funds
Revenue, Gains and Other Support			
Grants and contributions from:			
Foundations and trusts	$ 3,455,370	$ 2,091,220	$ 5,546,590*
Individuals	1,528,415	25,085	1,553,500
Bequests	2,197,673	1,000,000	3,197,673
Corporations	112,170		112,170
Federations	2,802		2,802
Court awards and attorney fees	2,428,143		2,428,143
Insurance proceeds	300,000		300,000
Net investment income	40,998	35,305	76,303
Net realized (loss)/gains on investment transactions	(28,682)	107,861	79,179
Net gain from sales of art work	2,987		2,987
Other income	27,978		27,978
Total Revenue, Gains and Other Support	10,067,854	3,259,471	13,327,325
Net assets released from restrictions - Note 8	4,596,704	(4,596,704)	-
Total Revenue, Gains and Other Support	14,664,558	(1,337,233)	13,327,325
Expenses			
Program Services			
Litigation	6,029,245		6,029,245
Advocacy	3,036,908		3,036,908
Total Program Services	9,066,153		9,066,153
Supporting Services			
Administrative and general	1,234,119		1,234,119
Fund raising	1,516,734		1,516,734
Total Supporting Services	2,750,853		2,750,853
Total Expenses	11,817,006		11,817,006
Change in Net Assets before Other Changes in Net Assets	**2,847,552**	**(1,337,233)**	**1,510,319**
Other Changes in Net Assets:			
Net unrealized loss on investments	(919,787)	(798,325)	(1,718,112)
Changes in value of split-interest agreements - Note 11		(49,271)	(49,271)
Total Other Changes in Net Assets	(919,787)	(847,596)	(1,767,383)
Change in Net Assets	1,927,765	(2,184,829)	(257,064)
Net Assets as of June 30, 2021	26,461,376	13,803,158	40,264,534
Net Assets as of June 30, 2022	$ 28,389,141	$ 11,618,329	$ 40,007,470

* Included in the foundation contributions for the year are gifts to CCR, as advised by individuals, through donor advised funds from other foundations of $2,120,655.

See accompanying notes to financial statements.

CENTER FOR CONSTITUTIONAL RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM SERVICES			SUPPORTING SERVICES			Total Program and Supporting Services
	Litigation	Advocacy	Total	Administrative and General	Fund Raising	Total	
Salaries	$ 3,049,831	$ 1,727,951	$ 4,777,782	$ 580,888	$ 987,771	$ 1,568,659	$ 6,346,441
Payroll taxes and employee benefits	986,727	559,052	1,545,779	187,937	319,579	507,516	2,053,295
Total Salaries and Related Expenses	4,036,558	2,287,003	6,323,561	768,825	1,307,350	2,076,175	8,399,736
Cooperating attorney fees	1,118,391		1,118,391				1,118,391
Consultants	81,276	225,590	306,866	162,466	39,552	202,018	508,884
Travel expenses	70,161	22,180	92,341	623	2,441	3,064	95,405
Court and legal costs	18,078		18,078				18,078
Printing and publications	15,206	29,695	44,901	311	52,980	53,291	98,192
Telephone and communications	37,681	12,218	49,899	22,848	10,606	33,454	83,353
Postage and mailing	12,628	130	12,758	5,431	24,629	30,060	42,818
Supplies and minor equipment purchases	25,369	26,143	51,512	33,363	17,676	51,039	102,551
Insurance	42,364	2,525	44,889	16,950	1,736	18,686	63,575
Building maintenance and storage rental	150,117	36,952	187,069	18,476	25,404	43,880	230,949
Books and subscriptions	54,275	31,200	85,475	2,888	7,738	10,626	96,101
Legal and accounting fees	5,177	2,934	8,111	111,108	1,677	112,785	120,896
Occupancy costs	23,096	6,413	29,509	2,629	4,395	7,024	36,533
Equipment rental and maintenance	26,699	6,572	33,271	21,829	4,518	26,347	59,618
Meetings and conferences	16,104	5,267	21,371	14,995	1,114	16,109	37,480
Legal awards expense	196,000	297,000	493,000				493,000
Event expenses	17,108	24,790	41,898	1,487	1,000	2,487	44,385
Miscellaneous	715	52	767	39,768		39,768	40,535
Total Expenses before Depreciation and amortization	5,947,003	3,016,664	8,963,667	1,223,997	1,502,816	2,726,813	11,690,480
Depreciation and amortization	82,242	20,244	102,486	10,122	13,918	24,040	126,526
Total Expenses	$ 6,029,245	$ 3,036,908	$ 9,066,153	$ 1,234,119	$ 1,516,734	$ 2,750,853	$ 11,817,006

See accompanying notes to financial statements.

CENTER FOR CONSTITUTIONAL RIGHTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows From Operating Activities	
Change in Net Assets	($ 257,064)
Adjustments to reconcile change in Net Assets to net cash provided by operating activities	
Depreciation and amortization	126,526
Net realized gains on investment transactions	(79,179)
Net unrealized loss on investments	1,718,112
Change in assets and liabilities:	
Decrease in accounts and accrued interest receivable	4,198
Decrease in pledges, grants and contributions receivable	1,222,610
Increase in legal awards receivable	(304,027)
Increase in prepaid expenses	(31,640)
Decrease in art work	2,050
Increase in accounts and accrued expenses payable	210,020
Increase in legal awards payable	23,000
Increase in deferred event revenue	33,470
Increase in annuity payment liability	9,381
Net Cash Provided by Operating Activities	2,677,457
Cash Flows From Investing Activities	
Acquisition of fixed assets	(5,690,675)
Purchases of investments	(30,910,083)
Proceeds from sale of investments	21,261,141
Net Cash Used in Investing Activities	(15,339,617)
Net Decrease in Cash and Cash Equivalents	(12,662,160)
Cash and cash equivalents as of June 30, 2021	16,405,934
Cash and cash equivalents as of June 30, 2022	$ 3,743,774

Supplemental disclosures of cash flow information:

Gifts of securities	$ 1,484,564

See accompanying notes to financial statements.

NOTE 1 ORGANIZATION

Center for Constitutional Rights ("CCR") is a non-profit legal and educational organization dedicated to advancing and protecting the rights guaranteed by the United States Constitution and the Universal Declaration of Human Rights. Founded in 1966 by attorneys who represented civil rights movements in the South, CCR works creatively to advance and defend the constitutional and human rights of social justice movements and communities under threat and helps them build power.

CCR is committed to dismantling systems of oppression and fighting for justice through litigation, advocacy, and narrative shifting.

- Litigation: What is legal is not always just. CCR uses creative and aggressive legal strategies to fight the most virulent forms of oppression and push the law to meet the demands of justice.

- Advocacy: CCR prioritize forms of advocacy that complement its legal strategies with short- and long-term campaigns, policy work, trainings, public education, and thought leadership. Alliances with communities, organizations, activists, and storytellers help build power where it's most needed.

- Narative shifting: CCR uses media and thought leadership to challenge dominant narratives and make space for the voices and experiences of those who have been pushed to the margins. These tactics allow them to shape public opinion about the issues they fight for, which can initially be seen as controversial, and create opportunities to dismantle institutionalized power while building the power of social movements.

Management and general activities include the functions necessary to provide support for CCR's program activities. They include activities that provide governance (Board of Trustees), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fund raising activities include publicizing and conducting fund raising campaigns; maintaining donor lists; and other activities involved with soliciting contributions from foundations, individuals, and others.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CCR prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit entities. The significant accounting and reporting policies used by CCR are described below to enhance the usefulness and understandability of the financial statements.

(Continue)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Basis of Accounting
The accompanying financial statements have been prepared using the accrual basis of accounting.

Support
Grants and contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected in less than one year are reflected as current promises to give and are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are reflected as long-term promises to give and are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue.

The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectibility of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Cash and Cash Equivalents
Cash consist of cash held in checking and money market accounts. CCR considers all highly liquid instruments purchased with a maturity of three months or less and money market funds to be cash equivalents.

Short Term Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. The basis of determining the fair value of investments is the readily determinable sales price of the investments based on prices or quotations from over-the-counter markets.

Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities. Realized and unrealized gains and losses are recognized as incurred. They are recorded in the Statement of Activities as income or loss in accordance with donors' restrictions.

(Continue)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Endowment and Long-term Investments
Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support CCR's activities.

- Board designated endowments, which are resources set aside by the Board of Trustees for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board designated endowment results from an internal designation, it can be spent upon action of the Board of Trustees.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Endowment investments are reported at fair value with changes to fair value reported as investment return in the statement of activities. The investment and spending policies for the Endowment Funds are discussed in Note 10.

Fixed Assets
CCR capitalizes all significant expenditures for furniture, equipment, building and improvements. These assets are recorded at cost. Equipment is capitalized if it has a cost of $5,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation of furniture and equipment are provided for on a straight line basis over the estimated useful lives of the assets. Building and improvements are amortized over the estimated useful lives of the assets.

Charitable Gift Annuities
Annuity agreements are issued in exchange for a payment that constitutes part charitable contribution and part purchase of an annuity, providing for payments to the stated annuitant(s) during their lifetime(s). These agreements constitute a general obligation of CCR. Contribution revenues are recognized when annuity agreements are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. Additional information about charitable gift annuities is found in Note 11.

Annuity Payment Liability
Annuity payment liability represents actuarially determined liabilities for obligations of gift annuity contracts.

Financial Statement Presentation
The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

(Continue)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

In-Kind Contributions

Donated marketable securities and other non-cash donations are recorded as contributions at their fair values at the time of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. CCR reports expirations of donor restrictions when the donated assets are placed in service, if applicable, as instructed by the donor. NYCLU reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased by CCR.

Special Events Revenue

The portion of sponsorship revenue and attendee fees that relates to the commensurate value the sponsor and attendee received in return is recognized when the related events are held and performance obligations are met. Amounts received in advance of the events are reflected in the statement of financial position as deferred event revenue.

Legal Fee Awards

Pursuant to the Civil Rights Attorneys Fee Awards Act of 1976, legal fees and expenses may be awarded in certain court cases. The amounts of these awards are the result of court determinations and appellate decisions, or negotiations between the parties to the actions.

(Continue)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Management anticipates but is unable to determine the amount or timing of receipt of legal awards with any degree of accuracy to CCR. Accordingly, its accounting policy is to accrue an award only when, in its judgement, the amount appears relatively certain of collection.

Use of Estimates

The preparation of financial statements 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. On an ongoing basis, CCR's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. CCR's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Income Taxes

CCR is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and similar provisions of the State Code. Contributions to CCR are tax deductible to donors under Section 170 of the IRC. CCR is not classified as a private foundation.

Accounting for Uncertainty in Income Taxes

CCR adopted *Financial Accounting Standards Board* ("FASB") guidance on uncertain income tax positions in its financial statements. CCR recognizes the effect of tax positions only when they are more likely than not of being sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 are:

Financial Assets:	
Cash and cash equivalents	$ 3,743,774
Short term investments	21,299,051
Accounts and accrued interest receivable	64,770
Legal awards receivable	308,027
Pledges, grants and contributions receivable	4,620,268
Investments restricted for endowment	5,131,628
Total Financial Assets	30,035,890
Less financial assets not available within one year:	
Pledges and grants receivable (Note 5)	(2,228,334)

(Continue)

NOTE 3 LIQUIDITY AND AVAILABILITY - (Continued)

Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets (Note 9)	($ 2,691,861)
Split-interest agreements (Note 11)	(1,688,070)
Donor-restricted endowment funds (Note 10)	(3,395,064)
Less board designated endowment fund (Note 7)	(2,806,051)
Amount available for general Expenditures within one year	$ 17,226,510

The above table reflects donor-restricted and board designated endowment funds as unavailable because it is CCR's intention to invest those resources for the long-term support of the organization. However, in the case of need, the Board of Trustees could appropriate resources from either the donor-restricted funds available for general use ($1,292,758, of which $2,102,306 are the original gifts) or from its designated endowment fund ($2,806,051). Notes 7 and 10 provides more information about these funds. As part of the liquidity management plan, CCR invests cash in excess of daily requirements in short term investments (Note 4).

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following as of June 30, 2022:

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Certificates of deposit	$ 19,820,000	$ 19,592,779	($ 227,221)
Equity securities	3,992,340	4,438,874	446,534
Mutual funds - fixed income	136,459	123,796	(12,663)
Mutual funds - domestic equity	481,865	468,906	(12,958)
Exchange-traded funds - fixed income	41,734	39,494	(2,240)
Corporate and foreign bonds	1,537,999	1,448,829	(89,170)
U.S. Government obligations	335,290	318,001	(17,289)
Total	$ 26,345,687	26,430,679	$ 84,992
Investments restricted for endowment		5,131,628	
Investments		$ 21,299,051	

(Continue)

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS - (Continued)

Total investment earnings consist of the following:

Interest and dividends	$ 133,159
Investment expenses	(56,856)
Net investment income	76,303
Net realized gains on investment transactions	79,179
Net unrealized loss on investments	(1,718,112)
Net investment return	($ 1,562,630)

Investments are measured at fair value. Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs used to measure fair value.

The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted market prices in active markets for identical assets and liabilities. The types of investments in Level 1 generally include listed equities, and mutual funds and exchange-traded funds that hold equities.

Level 2: Significant observable inputs, other than those included in Level 1, such as unadjusted quoted market prices for similar assets or liabilities in active markets, unadjusted quoted prices for identical or similar assets and liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability. Investments in this category generally include corporate debt, U.S. government debt, and fixed income mutual funds and exchange-traded funds.

Level 3: Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require management judgment or estimates. Investments in this category generally include equity and debt positions in private companies and real estate and ownership interests in alternative investment that cannot be redeemed in the near term.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

(Continue)

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS - (Continued)

The following table sets forth by level, within the fair value hierarchy, CCR's financial instruments at fair value as of June 30, 2022:

	Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)
Certificates of deposit	$ 19,592,779		$ 19,592,779
Equity securities	4,438,874	$ 4,438,874	
Mutual funds - fixed income	123,796		123,796
Mutual funds - domestic equity	468,906	468,906	
Exchange-traded funds - fixed income	39,494	39,494	
Corporate and foreign bonds	1,448,829		1,448,829
U.S. Government obligations	318,001		318,001
Total Investments	$ 26,430,679	$ 4,947,274	$ 21,483,405

NOTE 5 PROMISES TO GIVE

Unconditional promises to give as of June 30, 2022 are as follows:

Receivable in less than one year	$ 2,391,934
Receivable in one to five years	2,230,000
Total unconditional promises to give	4,621,934
Less: net present value discount	(1,666)
Net unconditional promises to give	$ 4,620,268
Current	$ 2,391,934
Non-current	2,228,334
Net unconditional promises to give	$ 4,620,268

Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 2.99%.

(Continue)

NOTE 5 PROMISES TO GIVE - (Continued)

CCR also received total conditional promises to give of $999,582 for the next two years, which is subject to the satisfactory performance of the Bertha Justice Initiative Fellows Program.

NOTE 6 PROPERTY AND EQUIPMENT

As of June 30, 2022, the costs of the assets and the related accumulated depreciation and amortization were as follows:

Building and improvements	$ 8,357,065
Furniture and fixtures	7,945
Equipment	47,200
Computer and software	178,161
Phone system	14,104
	8,604,475
Less: accumulated depreciation and amortization	(2,887,930)
Net	$ 5,716,545

Depreciation and amortization expense for the year ended June 30, 2022 was $126,526.

NOTE 7 BOARD DESIGNATED RESERVES AND ENDOWMENT FUNDS

Reserve funds were designated by the Board of Trustees to provide long-term support for the following purposes. Investment earnings from the endowment and reserve funds are added to the existing endowment and reserve funds.

Reserve for future programs and operations	$ 15,588,266
Litigation fund	1,450,936
Total Board designated reserve funds	17,039,202
Board designated endowment fund	2,806,051
Total Board designated funds	$ 19,845,253

NOTE 8 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions during the year ended June 30, 2022 were as follows:

Satisfaction of purpose restrictions:	
Bertha Justice Initiative Fellows	$ 631,226
Capital Campaign	215,189
Gender Justice Copelon Fund	15,200
Global Detention and Rendition Project	35,200
Institutional Strengthening Project	1,296,670
International Human Rights	45,000
Internships and Fellowships	20,000
Lawyering for Liberation Conference	40,650
Litigation and Advocacy	63,250
Racial Awareness Project	30,986
	2,393,371
Satisfaction of time restrictions:	
General Support designated for 2022	2,203,333
Total	$ 4,596,704

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022, net assets with donor restrictions are available for the following:

Purpose restrictions, available for spending:	
Bertha Justice Initiative Fellows	$ 305,204
Capital Campaign	253,047
Gender Justice Copelon Fund	265,000
Gregory Finger Racial Justice Fellowship Fund	58,121
Institutional Strengthening Project	947,500
International Human Rights	35,000
Lawyering for Liberation Conference	294,350
Litigation and Advocacy	515,000
Racial Awareness Project	18,639
Total purpose-restricted net assets	2,691,861
Time restrictions:	
Time restricted support, which are unavailable for spending until the time stipulated by donors	3,843,334
Split-interest agreements, which are unavailable for spending until the deaths of the beneficiaries	1,688,070

(Continue)

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS - (Continued)

Endowment Funds, which must be appropriated by the Board of Trustees before use:	
Donor-restricted (principal)	$ 2,102,306
Unappropriated earnings	1,292,758
Total Endowment Funds	3,395,064
Total Net Assets with Donor Restrictions	$ 11,618,329

NOTE 10 ENDOWMENT FUNDS

CCR's endowment consists of several individual funds established for a variety of purposes either by donors (referred to as *donor-restricted endowment funds*) and by resources set aside by the Board of Trustees to function as endowments (referred to as *board designated endowment funds*). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditures by the board of trustees. The Board of Trustees of CCR may appropriate for expenditures or accumulate so much of an endowment fund as CCR determines as prudent for the uses, benefits, purposes and duration for which the fund was established, subject to the intent of the donor as expressed in the gift instrument.

Endowment funds by net assets classification as of June 30, 2022 are as follows:

Type of Endowment Fund	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds		$ 3,395,064	$ 3,395,064
Board designated endowment fund	$ 2,806,051		2,806,051
Total	$ 2,806,051	$ 3,395,064	$ 6,201,115

Changes in endowment net assets for the fiscal year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets as of June 30, 2021	$ 1,401,164	$ 2,694,948	$ 4,096,112
Transfer of board designated endowment fund	2,100,000		2,100,000

(Continue)

NOTE 10 ENDOWMENT FUNDS - (Continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Contributions		$ 1,000,000	$ 1,000,000
Net investment income	$ 14,369	8,220	22,589
Net depreciation (realized and unrealized)	(709,482)	(308,104)	(1,017,586)
Endowment Net Assets as of June 30, 2022	$ 2,806,051	$ 3,395,064	$ 6,201,115

NOTE 11 CHARITABLE GIFT ANNUITY / SPLIT-INTEREST AGREEMENTS

CCR entered into charitable gift annuity contracts with several donors. The agreements provide for, among other matters, annuity payments over the lifetime of the individual donors or their designated beneficiary or beneficiaries. Annuity payment liability represents actuarially determined liabilities for obligations of gift annuity contracts.

On August 5, 2008, State of New York Insurance Department (the " Department") issued a regulation regarding reserves being held by charitable organizations in support of gift annuities. The regulation requires, among other things, the minimum reserve held must be at least as great as 115% of the reserve calculated using the Department's prescribed method.

Gift assets are separately invested by CCR in annuity and reserve accounts for New York and California. As of June 30, 2022, the annuity and reserve accounts had a balance of $1,846,275 in the account for New York and $177,676 in the account for California, which exceeded the States' required reserve amounts of $424,306 by $1,599,645

As of June 30, 2022, CCR held investments of $2,023,563 relating to split-interest agreements that are classified as net assets with donor restrictions because they are unavailable for spending until the deaths of the donors or other beneficiaries.

Adjustments to the annuity payment liability to reflect amortization of discount and changes in the life expectancy of the beneficiaries are recognized in the statement of activities as changes in the value of split-interest agreements. Changes in value of split-interest agreements were $49,271 for the year.

(Continue)

NOTE 11 CHARITABLE GIFT ANNUITY / SPLIT-INTEREST AGREEMENTS - (Continued)

There was the following activity in the split-interest obligations during the year ended June 30, 2022:

Split-interest obligations as of June 30, 2022	$ 326,112
New agreements signed, gift portion of $11,862	13,138
Payments to beneficiaries	(53,028)
Changes in value of split-interest agreements	49,271
Split-interest obligations as of June 30, 2022	$ 335,493

NOTE 12 PENSION PLAN

CCR sponsors a defined contribution pension plan that covers all employees who have completed one year of service. Contribution to the plan is based on seven (7) percent of employees' salaries. Pension expenses for the year included contributions for the year ended June 30, 2022 of $441,732.

NOTE 13 CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject CCR to concentrations of credit risk, consist of cash, money market accounts and investment securities.

CCR maintains its cash in bank accounts in several financial institutions which, at times, may exceed federally insured limits. CCR has not experienced any losses in such accounts.

CCR maintains money market and investment accounts with three creditworthy, high-quality financial institutions. CCR has significant investments in stocks, bonds, mutual funds, and certificates of deposit and therefore, is subject to concentrations of credit risk. Investments in marketable securities are made by investment managers engaged by CCR and the investments are monitored for CCR by the investment advisors. Although the fair value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of CCR.

NOTE 14 FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing CCR's services have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied.

(Continue)

NOTE 14 FUNCTIONAL ALLOCATION OF EXPENSES - (Continued)

Administrative and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fund raising costs are expensed as incurred, even though they may result in contributions received in future years.

NOTE 15 SUBSEQUENT EVENTS

CCR evaluated subsequent events through January 12, 2023, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

NOTE 16 RECENT ACCOUNTING PRONOUNCEMENTS

In September 2020, the Financial Accounting Standards Board ("FASB") issued the Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. CCR has adopted and implemented this pronouncement on July 1, 2021 using the prospective method of application.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update includes a lease accounting model that recognizes two types of leases -- finance leases and operating lease. The standard requires that a leasee recognize on the balance sheet assets and liabilities relating to leases with terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a leasee will depend on its classification as a finance or operating lease. This ASU is effective for fiscal years beginning after December 15, 2021. Management does not expect this ASU to have a significant impact on CCR's financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) and in June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958)*: Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made*. The amendments in this update should assist in evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. CCR had adopted both ASU 2014-09 and 2019-08 in fiscal year 2020 and the adoption did not have a material impact on its financial statements.