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**CITIZENS
COMMITTEE
FOR NEW
YORK CITY**

Audited Financial Statements

September 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Citizens Committee for New York City, Inc.

Opinion

We have audited the accompanying financial statements of Citizens Committee for New York City, Inc. ("Citizens"), which comprise the statement of financial position as of September 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 accompanying financial statements present fairly, in all material respects, the financial position of Citizens as of September 30, 2022, and the changes in 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 (GAAS). 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 Citizens 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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, 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 Citizens' 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 Citizens' 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.

Report on Summarized Comparative Information

The financial statements of Citizens, as of and for the year ended September 30, 2021 were audited by other auditors whose report dated April 14, 2022 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax CPAs LLP
New York, NY
August 14, 2023

CITIZENS COMMITTEE FOR NEW YORK CITY, INC.
STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2022
(With comparative totals at September 30, 2021)

	<u>9/30/22</u>	<u>9/30/21</u>
Assets		
Cash and cash equivalents	\$103,799	\$750,639
Investments (Note 3)	4,981,774	5,761,433
Government grants receivable, net	119,867	346,914
Pledges receivable, net	349,788	172,262
Prepaid expenses and other receivables	90,601	42,002
Beneficial interest in charitable remainder unitrust (Notes 3 and 6)	<u>400,000</u>	<u>618,000</u>
 Total assets	 <u><u>\$6,045,829</u></u>	 <u><u>\$7,691,250</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$135,119	\$217,716
Deferred revenue	167,485	25,100
Line of credit (Note 4)	0	500,000
Paycheck Protection Program loan (Note 5)	0	254,285
Total liabilities	<u>302,604</u>	<u>997,101</u>
Net assets:		
Without donor restrictions	4,969,725	5,881,149
With donor restrictions (Note 6)	<u>773,500</u>	<u>813,000</u>
Total net assets	<u><u>5,743,225</u></u>	<u><u>6,694,149</u></u>
 Total liabilities and net assets	 <u><u>\$6,045,829</u></u>	 <u><u>\$7,691,250</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

CITIZENS COMMITTEE FOR NEW YORK CITY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(With comparative totals for the year ended September 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 9/30/22</u>	<u>Total 9/30/21</u>
Public support:				
Contributions	\$954,159	\$310,000	\$1,264,159	\$1,186,241
Special events (net of expenses with a direct benefit to donors) (Note 9)	1,564,298		1,564,298	1,055,197
Government grants	79,500		79,500	112,896
Paycheck Protection Program grant (Note 5)	254,285		254,285	253,875
Other revenue	35,039		35,039	0
In-kind donations	16,938		16,938	7,788
Net assets released from restriction	131,500	(131,500)	0	0
Total public support	<u>3,035,719</u>	<u>178,500</u>	<u>3,214,219</u>	<u>2,615,997</u>
Revenue:				
Investment return, net (Note 3)	(779,748)		(779,748)	756,888
Change in value of charitable remainder unitrust (Note 6)		(218,000)	(218,000)	35,000
Total revenue	<u>(779,748)</u>	<u>(218,000)</u>	<u>(997,748)</u>	<u>791,888</u>
Total support and revenue	<u>2,255,971</u>	<u>(39,500)</u>	<u>2,216,471</u>	<u>3,407,885</u>
Expenses:				
Program services	2,161,972		2,161,972	2,278,704
Supporting services:				
Management and general	467,848		467,848	510,960
Fundraising	537,575		537,575	382,937
Total supporting services	<u>1,005,423</u>	<u>0</u>	<u>1,005,423</u>	<u>893,897</u>
Total expenses	<u>3,167,395</u>	<u>0</u>	<u>3,167,395</u>	<u>3,172,601</u>
Change in net assets	(911,424)	(39,500)	(950,924)	235,284
Net assets - beginning of year	5,881,149	813,000	6,694,149	6,458,865
Net assets - end of year	<u>\$4,969,725</u>	<u>\$773,500</u>	<u>\$5,743,225</u>	<u>\$6,694,149</u>

The attached notes and auditor's report are an integral part of these financial statements.

CITIZENS COMMITTEE FOR NEW YORK CITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(With comparative totals for the year ended September 30, 2021)

	Supporting Services			Total Supporting Services	Total Expenses 9/30/22	Total Expenses 9/30/21
	Program Services	Management and General	Fundraising			
Salaries	\$805,068	\$65,775	\$183,143	\$248,918	\$1,053,986	\$1,004,349
Payroll taxes and benefits	196,633	16,065	44,731	60,796	257,429	214,489
Grants	1,003,014			0	1,003,014	1,176,138
Professional fees		251,601		251,601	251,601	199,200
Consultants	81,531	43,964	180,622	224,586	306,117	306,343
Travel and meals	3,752	7,971	2,499	10,470	14,222	4,770
Telephone	5,698	465	1,296	1,761	7,459	8,979
Occupancy	23,156	272	3,814	4,086	27,242	65,997
Postage and shipping		4,140		4,140	4,140	2,684
Insurance		7,131		7,131	7,131	4,732
Special events	2,361	2,192	191,072	193,264	195,625	45,839
Office expenses	5,407	434	1,856	2,290	7,697	7,780
Outreach and communications	147	37,540	12	37,552	37,699	52,954
Meetings and training		1,024		1,024	1,024	875
Interest		10,897		10,897	10,897	11,661
Other	35,205	1,439	30,687	32,126	67,331	58,023
Total expenses before in-kind	2,161,972	450,910	639,732	1,090,642	3,252,614	3,164,813
In-kind legal fees (Note 2j)		16,938		16,938	16,938	7,788
Total expenses	2,161,972	467,848	639,732	1,107,580	3,269,552	3,172,601
Less: cost of direct benefit to donor netted with revenue			(102,157)	(102,157)	(102,157)	0
Total expenses for statement of activities	\$2,161,972	\$467,848	\$537,575	\$1,005,423	\$3,167,395	\$3,172,601

The attached notes and auditor's report are an integral part of these financial statements.

CITIZENS COMMITTEE FOR NEW YORK CITY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(With comparative totals for the year ended September 30, 2021)

	<u>9/30/22</u>	<u>9/30/21</u>
Cash flows from operating activities:		
Change in net assets	(\$950,924)	\$235,284
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Change in beneficial interest in charitable remainder unitrust	218,000	(35,000)
Realized and unrealized loss/(gain) on investments	1,128,720	(673,398)
Paycheck Protection Program loan forgiveness	(254,285)	(253,875)
Changes in assets and liabilities:		
Government grants receivable	227,047	337,198
Pledges receivable	(177,526)	(48,610)
Prepaid expenses and other receivables	(48,599)	(12,460)
Accounts payable and accrued expenses	(82,597)	(38,911)
Deferred revenue	142,385	15,100
Deferred rent	0	(7,769)
Total adjustments	<u>1,153,145</u>	<u>(717,725)</u>
Net cash flows provided by/(used for) operating activities	<u>202,221</u>	<u>(482,441)</u>
Cash flows from investing activities:		
Purchases of investments/reinvested dividends	(1,544,993)	(1,703,652)
Sale of investments	1,195,932	1,870,642
Net cash flows (used for)/provided by investing activities	<u>(349,061)</u>	<u>166,990</u>
Cash flows from financing activities:		
Paycheck Protection Program loan proceeds	0	254,285
Line of credit proceeds	(500,000)	500,000
Net cash flows (used for)/provided by investing activities	<u>(500,000)</u>	<u>754,285</u>
Net (decrease)/increase in cash and cash equivalents	(646,840)	438,834
Cash and cash equivalents - beginning of year	<u>750,639</u>	<u>311,805</u>
Cash and cash equivalents - end of year	<u>\$103,799</u>	<u>\$750,639</u>
Supplemental data:		
No interest or taxes were paid.		

The attached notes and auditor's report are an integral part of these financial statements.

CITIZENS COMMITTEE FOR NEW YORK CITY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 - Organization

Citizens Committee for New York City, Inc. (“Citizens”) was incorporated in the State of New York in October 1975. Its principal activity is to encourage and support volunteer activities that improve the quality of life in New York City neighborhoods. It offers grants, training, publications, and technical assistance to hundreds of blocks, neighborhood, tenant, and youth associations in the five boroughs, helping New Yorkers of all ages to form new groups, strengthen existing ones and improve their neighborhoods.

Citizens was incorporated in the State of New York and has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of Citizens have been prepared on the accrual basis of accounting, which is the process of recording revenue, public support and expenses when earned or incurred rather than received or paid.

b. Recently Adopted Accounting Standard

Effective October 1, 2021, Citizens adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures. See Note 2j for more details.

c. Basis of Presentation

Citizens reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. The board has previously established the Henry Cornell Fund for the Bronx, a board designated fund for grantee projects based in the Bronx, which consists of investments. The following table summarizes the activity of these funds:

	<u>9/30/22</u>	<u>9/30/21</u>
Balance at beginning of year	\$383,987	\$304,324
Investment earnings	<u>(79,784)</u>	<u>79,663</u>
Balance at end of year	<u>\$304,203</u>	<u>\$383,987</u>

- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

d. Revenue Recognition

Citizens follows the requirements of the FASB's Accounting Standards Codification ("ASC") 606 for recognizing revenue from contracts with customers. Workshops and volunteer events fall under FASB ASC 606 and have been included in the statement of activities. Each different source of revenue is analyzed to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized as the performance obligation is satisfied at a point in time when the workshop or volunteer event takes place. Payments received in advance of performing services are recorded as deferred income and will be recognized as income in the period earned. Fees that have yet to be collected at year end are reflected as receivables.

Citizens follows FASB ASC 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that contain donor restrictions are recorded in the class of net assets with donor restrictions. 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. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. At September 30, 2021, all contributions were due within one year. At September 30, 2022, all contributions were due within one year except for \$75,000, which is due September 30, 2024. The amount has not been discounted using present value techniques due to the immaterial nature.

Contributions may be subject to conditions, which are defined as both a barrier to entitlement, and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Citizens' government grants are primarily conditional non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as a government grant advance. At September 30, 2022, all government grants receivable were due within one year.

Management reviews receivables for collectability based on various factors such as historical experience and subsequent collections. Based on this review, a reserve for doubtful accounts for pledges receivable has been established for \$25,500 and \$25,000 as of September 30, 2022 and 2021, respectively. Additionally, a reserve for doubtful accounts for government grants receivable has been established for \$35,000 and \$63,000 as of September 30, 2022 and 2021, respectively. Bad debt recoveries amounted to \$11,729 for the year ended September 30, 2022. There were no write-offs or recoveries for the year ended September 30, 2021.

e. Cash and Cash Equivalents

Citizens considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents, excluding amounts held with brokers for investments.

f. Concentration of Credit Risk

Financial instruments, which potentially subject Citizens to a concentration of credit risk consist of cash, money market accounts and investment securities, which have been placed with financial institutions that management deems to be creditworthy. Investments are subject to market fluctuations and principal is not guaranteed. At certain times throughout the year and at year end, Citizens had uninsured balances; however, they have not suffered any losses due to the failure of any of these institutions.

g. Investments

Investments are reflected at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. Investment return is included in income on the statement of activities.

h. Accrued Vacation

Based on their tenure, employees are entitled to be paid for unused vacation time if they leave Citizens; although, no employee may accumulate more than twenty days of his or her annual vacation accrual. Accordingly, the financial statements reflect a liability for the amount that would be paid out if employees with such unused vacation were to leave. The accrued vacation obligation was \$13,748 and \$17,382 at September 30, 2022 and 2021, respectively.

i. Capitalization Policy

All fixed assets that exceed certain thresholds and benefit future periods are capitalized at cost, or at fair value if donated. All fixed assets are fully depreciated.

j. In-Kind Contributions

Donated services are recognized when they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. Donated assets are recorded at the estimated fair value.

In-kind legal services of \$16,938 and \$7,788 were recognized in the years ended September 30, 2022 and 2021, respectively. These donated services were provided by firms that employed one or more board members. Legal services are valued at the estimated fair value based on current hourly rates of the legal firm.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. Other than services that involve specific professional skills, these volunteer activities do not meet the criteria to be recorded and have not been included in the financial statements.

k. Advertising

Advertising expense is recognized as incurred.

l. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

m. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs were allocated based on time and effort:

- Salaries
- Payroll taxes and benefits
- Telephone
- Office expenses

The following cost was allocated based on square footage:

- Occupancy

All other expenses have been charged directly to the applicable program or supporting services.

n. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Citizens' financial statements for the year ended September 30, 2021 from which the summarized information was derived.

o. Accounting for Uncertainty of Income Taxes

Citizens does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending September 30, 2019 and later are subject to examination by applicable taxing authorities.

p. New Accounting Pronouncement

FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the September 30, 2023 year-end, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position. Citizens' is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - Investments and Fair Value

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that Citizens has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments:

	September 30, 2022		
	Level 1	Level 3	Total
US fund money market	\$90,334	\$0	\$90,334
Mutual funds:			
Large value	562,108	0	562,108
Large growth	86,628	0	86,628
Foreign large growth	394,412	0	394,412
Long short equity	331,948	0	331,948
Options trading	243,931	0	243,931
Small growth	377,732	0	377,732
Multisector	48,376	0	48,376
Bank loan	303,267	0	303,267
Corporate bonds:			
Investment grade	749,446	0	749,446
Non-investment grade	400,555	0	400,555
Not-rated	58,480	0	58,480
Exchange traded funds:			
Large value	29,238	0	29,238
Diversified emerging markets	132,378	0	132,378
Common stock:			
Basic materials	23,152	0	23,152
Communications	14,150	0	14,150
Consumer cyclical	154,329	0	154,329
Consumer non-cyclical	82,151	0	82,151
Consumer defensive	28,206	0	28,206
Energy	25,331	0	25,331
Financial	173,412	0	173,412
Healthcare	128,041	0	128,041
Industrials	104,513	0	104,513
Real estate	3,361	0	3,361
Technology	294,317	0	294,317
Utilities	103,382	0	103,382
Miscellaneous	38,596	0	38,596
Total	<u>\$4,981,774</u>	<u>\$0</u>	<u>\$4,981,774</u>
Beneficial interest in charitable remainder unitrust	<u>\$0</u>	<u>\$400,000</u>	<u>\$400,000</u>

	<u>September 30, 2021</u>		
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
US fund money market	\$187,061	\$0	\$187,061
Mutual funds:			
Large value	583,481	0	583,481
Long short equity	616,673	0	616,673
Large growth	203,142	0	203,142
Emerging market	15,553	0	15,553
Small growth	458,879	0	458,879
Multisector	56,563	0	56,563
Foreign large growth	633,541	0	633,541
Corporate bonds:			
Investment grade	1,085,665	0	1,085,665
Non-investment grade	617,417	0	617,417
Common stock:			
Basic materials	33,969	0	33,969
Consumer cyclical	186,170	0	186,170
Consumer non-cyclical	126,203	0	126,203
Energy	24,700	0	24,700
Financial	161,597	0	161,597
Healthcare	124,780	0	124,780
Industrials	87,294	0	87,294
Technology	427,639	0	427,639
Utilities	108,996	0	108,996
Miscellaneous	<u>22,110</u>	<u>0</u>	<u>22,110</u>
Total	<u>\$5,761,433</u>	<u>\$0</u>	<u>\$5,761,433</u>
Beneficial interest in charitable remainder unitrust	<u>\$0</u>	<u>\$618,000</u>	<u>\$618,000</u>

Investment return is as follows:

	<u>9/30/22</u>	<u>9/30/21</u>
Realized and unrealized (loss)/gain	(\$1,128,720)	\$673,398
Interest and dividends	374,864	106,792
Investment fees	<u>(25,892)</u>	<u>(23,302)</u>
Total investment return	<u>(\$779,748)</u>	<u>\$756,888</u>

Note 4 - Line of Credit

In August 2020, Citizens entered into a one-year credit agreement, subsequently extended for another year, for a line of credit of \$1,000,000 that can be drawn upon as needed. Interest is payable monthly at a rate of 3.447% plus the SOFR. All unpaid interest and principal are due upon maturity. As of September 30, 2022, there was no outstanding balance on the line of credit. As of September 30, 2021, \$500,000 was outstanding.

Note 5 - Paycheck Protection Program Loan

During the year ended September 30, 2020, Citizens obtained a loan from the Small Business Administration (“SBA”) in the amount of \$253,875 through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. Citizens accounted for the PPP loan as a contribution in accordance with FASB ASC 958-605. The conditions for forgiveness on this loan were met during the year ended September 30, 2021, and the full amount was recognized as revenue during the year then ended. On May 6, 2021, the loan was forgiven by the SBA.

During the year ended September 30, 2021, Citizens obtained a second PPP loan in the amount of \$254,285. Terms of the second loan were the same as described above. As the conditions had not been met, Citizens reflected this amount as a liability at September 30, 2021. The conditions for forgiveness on this loan were met during the year ended September 30, 2022, and the full amount was recognized as revenue during the year then ended. On January 27, 2022, the loan was forgiven by the SBA.

Note 6 - Net Assets with Donor Restrictions

The following summarizes net assets with donor restrictions:

	<u>September 30, 2022</u>			
	<u>Beginning Balance 10/1/21</u>	<u>Contributions and Other Changes</u>	<u>Released from Restrictions</u>	<u>Ending Balance 9/30/22</u>
Program restrictions:				
Environmental and Community Improvement	\$45,000	\$80,000	(\$51,500)	\$73,500
Media for Opportunity and Equity	<u>0</u>	<u>80,000</u>	<u>(5,000)</u>	<u>75,000</u>
Total program restrictions	<u>45,000</u>	<u>160,000</u>	<u>(56,500)</u>	<u>148,500</u>
Time restrictions:				
Donor support	150,000	150,000	(75,000)	225,000
Charitable Remainder Unitrust	<u>618,000</u>	<u>0</u>	<u>(218,000)</u>	<u>400,000</u>
Total time restrictions	<u>768,000</u>	<u>150,000</u>	<u>(293,000)</u>	<u>625,000</u>
Total	<u>\$813,000</u>	<u>\$310,000</u>	<u>(\$349,500)</u>	<u>\$773,500</u>

	<u>September 30, 2021</u>			
	<u>Beginning</u> <u>Balance</u> <u>10/1/20</u>	<u>Contributions</u> <u>and</u> <u>Other Changes</u>	<u>Released</u> <u>from</u> <u>Restrictions</u>	<u>Ending</u> <u>Balance</u> <u>9/30/21</u>
Program restrictions:				
Environmental and				
Community Improvement	\$59,136	\$45,000	(\$59,136)	\$45,000
West Side Community Fund	<u>204,450</u>	<u>0</u>	<u>(204,450)</u>	<u>0</u>
Total program restrictions	<u>263,586</u>	<u>45,000</u>	<u>(263,586)</u>	<u>45,000</u>
Time restrictions:				
Donor support	0	150,000	0	150,000
Charitable Remainder				
Unitrust	<u>583,000</u>	<u>35,000</u>	<u>0</u>	<u>618,000</u>
Total time restrictions	<u>583,000</u>	<u>185,000</u>	<u>0</u>	<u>768,000</u>
Total	<u>\$846,586</u>	<u>\$230,000</u>	<u>(\$263,586)</u>	<u>\$813,000</u>

In October 1996, a charitable remainder unitrust was established by a member of the board of directors. When the terms of the unitrust are completed, 85% of the principal of the trust will be distributed to Citizens to be used for its general charitable purposes. Using Internal Revenue Service actuarial tables and a discount rate of 3.14%, a calculation of the present value of the underlying assets was made to determine the fair value.

Note 7 - Commitments and Contingencies

a. Program Audits

Government funded activities are subject to audit by applicable granting agencies. Management does not believe that any future audits will result in disallowed costs and has not established any reserves. Any future payments that result from such audits will be recognized once amounts payable become known.

b. Commitments

In the normal course of business, legal actions occur. Based on advice of legal counsel, management does not believe any exposure to legal matters will have a material impact on the financial statements and has not recorded liabilities within the accompanying financial statements.

Citizens entered into a non-cancelable lease agreement in June 2012 for office space in New York, New York. The lease expired March 2021.

Note 8 - Employee Benefit Plan

Citizens operates a contributory 401(k) profit sharing retirement plan (the "Plan"). Under the Plan, employees become eligible to participate after completing one year of service. The Plan has a contribution matching element, which is based upon matching the eligible employee's contribution to the Plan, dollar for dollar, up to a maximum fixed percentage of gross salary. In addition, there is a profit-sharing match component of the Plan; whereby, Citizens makes a discretionary match annually to each eligible employee's retirement based on a pro rata share of the individual's compensation compared to Citizens' total compensation for the year. Citizens incurred a total expense of \$58,905 and \$21,154 for contributions to the Plan during the years ended September 30, 2022 and 2021, respectively. The total for September 30, 2022 includes a \$24,333 profit sharing match component from Citizens. There was no profit-sharing match component for the year ended September 30, 2021.

Note 9 - Significant Concentration and Special Events

Approximately 51% and 40% of total public support was received from special events in both 2022 and 2021, respectively.

Citizens held events in-person during the year ended September 30, 2022 and virtually during the year ended September 30, 2021.

A summary of the special events is as follows:

	<u>September 30, 2022</u>		
	<u>Gala</u>	<u>Cocktail Event</u>	<u>Total</u>
Gross revenue	\$1,516,361	\$150,094	\$1,666,455
Less: expenses with a direct benefit to donors	<u>(74,395)</u>	<u>(27,762)</u>	<u>(102,157)</u>
	1,441,966	122,332	1,564,298
Less: other event expenses	<u>(44,922)</u>	<u>(22,157)</u>	<u>(67,079)</u>
Net event revenue	<u>\$1,397,044</u>	<u>\$100,175</u>	<u>\$1,497,219</u>
	<u>September 30, 2021</u>		
	<u>Gala</u>	<u>Cocktail Event</u>	<u>Total</u>
Gross revenue	\$884,380	\$170,817	\$1,055,197
Less: other event expenses	<u>(26,299)</u>	<u>(2,702)</u>	<u>(29,001)</u>
Net event revenue	<u>\$858,081</u>	<u>\$168,115</u>	<u>\$1,026,196</u>

Note 10 - Availability and Liquidity

Financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$103,799	
Investments	4,981,774	
Government grants receivable, net	119,867	
Pledges receivable, net	<u>349,788</u>	
Total financial assets		\$5,555,228
Less amounts not available for general expenditures:		
Board designated net assets	(304,203)	
Pledges receivable due in fiscal year 2024	(75,000)	
Donor-imposed program restrictions	<u>(148,500)</u>	
Total amounts not available for general expenditure		<u>(527,703)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$5,062,564</u>

As part of its liquidity management plan, Citizens operates its programs within a balanced budget and relies on government grants, contributions, and special events to fund its operations and program activities. Citizens is partially supported by restricted contributions. Since a donor's restriction requires resources to be used in a particular manner or in a future period, Citizens must maintain sufficient resources to meet those responsibilities of its donors; therefore, financial assets may not be available for general expenditure within one year.

Note 11 - Subsequent Events

Subsequent events have been evaluated through August 14, 2023, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.