

Citizens Committee for New York City, Inc.

Audited Financial Statements

September 30, 2023

Citizens Committee for New York City, Inc.

Audited Financial Statements

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Citizens Committee for New York City, Inc. ("Citizens"), which comprise the statement of financial position as of September 30, 2023, 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, 2023, 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 issued or 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 GAAS 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 GAAS, 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

We have previously audited Citizens' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has derived.

Sax CPAs LLP

New York, NY
May 16, 2024

Citizens Committee for New York City, Inc.

Statement of Financial Position

At September 30, 2023
(With comparative totals at September 30, 2022)

| | <u>September 30,</u> | |
|--|-----------------------------|----------------------------|
| | <u>2023</u> | <u>2022</u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 549,151 | \$ 103,799 |
| Investments | 5,539,708 | 4,981,774 |
| Government grants receivable | 297,902 | 119,867 |
| Pledges receivable | 184,815 | 349,788 |
| Prepaid expenses and other receivables | 70,324 | 90,601 |
| Cash held for NYC grant funds | 7,216,075 | - |
| Beneficial interest in charitable remainder unitrust | 426,430 | 400,000 |
| TOTAL ASSETS | <u>\$ 14,284,405</u> | <u>\$ 6,045,829</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 293,628 | \$ 135,119 |
| Grants payable on behalf of NYC | 7,046,075 | - |
| Deferred revenue - government contract service fee | 170,000 | - |
| Deferred revenue - fundraising | 456,099 | 167,485 |
| Line of credit | 275,000 | - |
| Total liabilities | <u>8,240,802</u> | <u>302,604</u> |
| NET ASSETS | | |
| Without donor restrictions | 5,617,173 | 4,969,725 |
| With donor restrictions | 426,430 | 773,500 |
| Total net assets | <u>6,043,603</u> | <u>5,743,225</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 14,284,405</u> | <u>\$ 6,045,829</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, 2023
(With comparative totals for the year ended September 30, 2022)

| | Without Donor Restrictions | With Donor Restrictions | Total 9/30/23 | Total 9/30/22 |
|--|----------------------------------|-------------------------------|----------------------------|----------------------------|
| PUBLIC SUPPORT AND REVENUE | | | | |
| Contributions | \$ 1,030,586 | \$ 55,200 | \$ 1,085,786 | \$ 1,264,159 |
| Special events (net of expenses with a direct benefit to donors) | 1,156,008 | - | 1,156,008 | 1,564,298 |
| Government grants | 210,000 | - | 210,000 | 79,500 |
| Government contract service fee | 330,000 | - | 330,000 | - |
| Paycheck Protection Program grant | - | - | - | 254,285 |
| Other revenue | - | - | - | 35,039 |
| In-kind donations | 3,288 | - | 3,288 | 16,938 |
| Net assets released from restriction | 428,700 | (428,700) | - | - |
| Total public support | <u>3,158,582</u> | <u>(373,500)</u> | <u>2,785,082</u> | <u>3,214,219</u> |
| Revenue: | | | | |
| Investment return, net | 607,945 | - | 607,945 | (779,748) |
| Change in value charitable remainder unitrust | - | 26,430 | 26,430 | (218,000) |
| Total revenue | <u>607,945</u> | <u>26,430</u> | <u>634,375</u> | <u>(997,748)</u> |
| TOTAL PUBLIC SUPPORT AND REVENUE | <u>3,766,527</u> | <u>(347,070)</u> | <u>3,419,457</u> | <u>2,216,471</u> |
| EXPENSES | | | | |
| Program services | 2,096,674 | - | 2,096,674 | 2,161,972 |
| Supporting services: | | | | |
| Management and general | 371,942 | - | 371,942 | 467,848 |
| Fundraising | 650,463 | - | 650,463 | 537,575 |
| Total supporting services | <u>1,022,405</u> | <u>-</u> | <u>1,022,405</u> | <u>1,005,423</u> |
| Total expenses | <u>3,119,079</u> | <u>-</u> | <u>3,119,079</u> | <u>3,167,395</u> |
| Change in net assets | 647,448 | (347,070) | 300,378 | (950,924) |
| NET ASSETS, beginning of year | <u>4,969,725</u> | <u>773,500</u> | <u>5,743,225</u> | <u>6,694,149</u> |
| NET ASSETS, end of year | <u>\$ 5,617,173</u> | <u>\$ 426,430</u> | <u>\$ 6,043,603</u> | <u>\$ 5,743,225</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, 2023
(With comparative totals for the year ended September 30, 2022)

| | | Supporting Services | | | | |
|--|---------------------|---------------------------|-------------------|---------------------------------|------------------------------|------------------------------|
| | Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses 9/30/23 | Total Expenses 9/30/22 |
| Salaries | \$ 880,917 | \$ 93,767 | \$ 259,093 | \$ 352,860 | \$ 1,233,777 | \$ 1,053,986 |
| Payroll taxes and benefits | 158,205 | 16,840 | 46,531 | 63,371 | 221,576 | 257,429 |
| Grants | 761,076 | - | - | - | 761,076 | 1,003,014 |
| Professional fees | 47,150 | 121,480 | 32,109 | 153,589 | 200,739 | 251,601 |
| Consultants | 140,209 | 65,780 | 103,339 | 169,119 | 309,328 | 306,117 |
| Travel and meals | 6,801 | 3,676 | 7,903 | 11,579 | 18,380 | 14,222 |
| Telephone | 4,316 | 459 | 1,269 | 1,728 | 6,044 | 7,459 |
| Occupancy | 49,993 | 1,495 | 9,474 | 10,969 | 60,962 | 27,242 |
| Postage and shipping | - | - | 2,822 | 2,822 | 2,822 | 4,140 |
| Insurance | - | 8,964 | - | 8,964 | 8,964 | 7,131 |
| Special events | - | - | 317,347 | 317,347 | 317,347 | 195,625 |
| Office expenses | 8,335 | 1,031 | 2,451 | 3,482 | 11,817 | 7,697 |
| Outreach and communications | 10,220 | - | - | - | 10,220 | 37,699 |
| Software subscriptions | 28,153 | 2,997 | 8,280 | 11,277 | 39,430 | 49,256 |
| Interest | - | 14,230 | - | 14,230 | 14,230 | 10,897 |
| Other | 1,299 | 37,935 | 12,344 | 50,279 | 51,578 | 19,099 |
| Total expenses before in-kind | 2,096,674 | 368,654 | 802,962 | 1,171,616 | 3,268,290 | 3,252,614 |
| In-kind legal fees | - | 3,288 | - | 3,288 | 3,288 | 16,938 |
| Total expenses | 2,096,674 | 371,942 | 802,962 | 1,174,904 | 3,271,578 | 3,269,552 |
| Less: cost of direct benefit to donor netted with revenue | - | - | (152,499) | (152,499) | (152,499) | (102,157) |
| Total expenses for statement of activities | \$ 2,096,674 | \$ 371,942 | \$ 650,463 | \$ 1,022,405 | \$ 3,119,079 | \$ 3,167,395 |

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, 2023
(With comparative totals for the year ended September 30, 2022)

| | <u>September 30,</u> | |
|--|----------------------------|--------------------------|
| | <u>2023</u> | <u>2022</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 300,378 | \$ (950,924) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Change in beneficial interest in charitable remainder unitrust | (26,430) | 218,000 |
| Realized and unrealized (gain)/loss on investments | (353,806) | 1,128,720 |
| Paycheck Protection Program loan forgiveness | - | (254,285) |
| Changes in assets and liabilities: | | |
| Government grants receivable | (178,035) | 227,047 |
| Pledges receivable | 164,973 | (177,526) |
| Prepaid expenses and other receivables | 20,277 | (48,599) |
| Accounts payable and accrued expenses | 158,509 | (82,597) |
| Grants payable on behalf of NYC | 7,046,075 | - |
| Deferred revenue - government contract service fee | 170,000 | - |
| Deferred revenue | 288,614 | 142,385 |
| Total adjustments | <u>7,290,177</u> | <u>1,153,145</u> |
| Net cash flows provided by operating activities | <u>7,590,555</u> | <u>202,221</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments/reinvested dividends | (741,170) | (1,544,993) |
| Sale of investments | 537,042 | 1,195,932 |
| Net cash flows used for investing activities | <u>(204,128)</u> | <u>(349,061)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of line of credit | - | (500,000) |
| Line of credit proceeds | 275,000 | - |
| Net cash flows provided by/(used for) investing activities | <u>275,000</u> | <u>(500,000)</u> |
| Net increase/(decrease) in cash and cash equivalents | 7,661,427 | (646,840) |
| CASH AND CASH EQUIVALENTS, <i>beginning of year</i> | <u>103,799</u> | <u>750,639</u> |
| CASH AND CASH EQUIVALENTS, <i>end of year</i> | <u>\$ 7,765,226</u> | <u>\$ 103,799</u> |

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, 2023

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 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. Basis of Presentation

The financial statements are presented in accordance with the provisions of Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 *Presentation of Financial Statement of Not-For-Profit Entities*. FASB ASC 958 requires Citizens to report information regarding its financial position and activities according to the following specific 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 summarizes the activity of these funds:

| | September 30, | |
|------------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Balance at beginning of year | \$ 304,203 | \$ 383,987 |
| Disbursement of grants | (50,552) | - |
| Investment earnings | 43,569 | (79,784) |
| Balance at end of year | <u>\$ 297,220</u> | <u>\$ 304,203</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 and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

c. Recently Adopted Accounting Standard

Effective October 1, 2022, Citizens adopted the FASB's Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. Citizens elected transition relief that allows entities, in the period of adoption, to present the current period under FASB ASC 842 and the comparative period under FASB ASC 840. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended September 30, 2023 as Citizens did not have any leases in place.

d. Revenue Recognition

Citizens follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. Government contract service fees, 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. For workshops and volunteer events, this is at a point in time when the workshop or volunteer event takes place. For government contract service fees, this is at the point in time that measurable milestones have been achieved. 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.

Special event revenue is comprised of payments received from third parties to support and/or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods or services rendered, which follows revenue recognition guidance under FASB ASC 606. The amount paid by third parties that is above the value of goods or services is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

Citizens received payments to fund special initiatives for the City of New York. As Citizens did not have variance power, defined as the unilateral right to redirect the funds, these grants were treated as agency transactions. Grant funds not distributed at year end are recorded as grants payable on behalf of NYC.

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

d. Revenue Recognition - Continued

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, 2023 and September 30, 2022 all contributions were due within one year.

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/or 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, 2023, 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 \$1,000 and \$25,500 as of September 30, 2023 and 2022, respectively. Additionally, a reserve for doubtful accounts for government grants receivable has been established for \$9,767 and \$35,000 as of September 30, 2023 and 2022, respectively. Bad debt recoveries amounted to \$37,979 and \$11,729 as of September 30, 2023 and 2022, respectively.

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. Cash Held for NYC Grant Funds

As discussed in Note 2d, Citizens received cash that was to be used to fund special initiatives for the City of New York. As Citizens does not have variance power over the use of these funds, such funds have been reflected as cash held for NYC grant funds on the statement of financial position.

g. 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. Citizens maintains its cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 each. 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.

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

h. 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.

i. 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 \$6,186 and \$13,748 at September 30, 2023 and 2022, respectively.

j. In-kind Services

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 \$3,288 and \$16,938 were recognized in the years ended September 30, 2023 and 2022, 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 Citizens. 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 in the period the expense has been incurred.

l. Capitalization Policy

All fixed assets that exceed \$5,000 and benefit future periods are capitalized at cost, or at fair value if donated. All fixed assets are fully depreciated.

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. Such allocations are determined by management on an equitable basis.

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

m. Functional Allocation of Expenses - Continued

The following expenses were allocated using time and effort as the basis:

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

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. 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.

o. 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, 2022, from which the summarized information was derived.

p. 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, 2020 and later are subject to examination by applicable taxing authorities.

q. New Accounting Standard

FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses* ("Topic 326"): *Measurement of Credit Losses on Financial Instruments*, which becomes effective for the fiscal year ending September 30, 2024. This ASU requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts.

Citizens is in the process of evaluating the impact this standard will have on future financial statements.

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

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, 2023 | | |
|---|---------------------|-------------------|---------------------|
| | Level 1 | Level 3 | Total |
| U.S. fund money market | \$ 151,061 | \$ - | \$ 151,061 |
| Mutual funds | 1,079,610 | - | 1,079,610 |
| Corporate bonds | 1,969,609 | - | 1,969,609 |
| Municipal bonds | 61,846 | - | 61,846 |
| Common stock | 2,277,582 | - | 2,277,582 |
| Total | <u>\$ 5,539,708</u> | <u>\$ -</u> | <u>\$ 5,539,708</u> |
| Beneficial interest in charitable remainder unitrust | <u>\$ -</u> | <u>\$ 426,430</u> | <u>\$ 426,430</u> |

| | September 30, 2022 | | |
|---|---------------------|-------------------|---------------------|
| | Level 1 | Level 3 | Total |
| U.S. fund money market | \$ 90,334 | \$ - | \$ 90,334 |
| Mutual funds | 2,348,402 | - | 2,348,402 |
| Corporate bonds | 1,208,481 | - | 1,208,481 |
| Exchange traded funds | 161,616 | - | 161,616 |
| Common stock | 1,172,941 | - | 1,172,941 |
| Total | <u>\$ 4,981,774</u> | <u>\$ -</u> | <u>\$ 4,981,774</u> |
| Beneficial interest in charitable remainder unitrust | <u>\$ -</u> | <u>\$ 400,000</u> | <u>\$ 400,000</u> |

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 3 - Investments and Fair Value - Continued

Investment return is as follows:

| | September 30, | |
|-------------------------------------|-------------------|---------------------|
| | 2023 | 2022 |
| Realized and unrealized gain/(loss) | \$ 353,806 | \$ (1,128,720) |
| Interest and dividends | 278,270 | 374,864 |
| Investment fees | (24,131) | (25,892) |
| Total investment return | <u>\$ 607,945</u> | <u>\$ (779,748)</u> |

Citizens considers the measurement of its beneficial interest in the charitable remainder unitrust to be a Level 3 measurement within the fair value measurement hierarchy because even though the measurement is based on the unadjusted fair value of trust assets reported by the trustee, Citizens will never receive those assets or have the ability to direct the trustee to redeem them.

Note 4 - Line of Credit

Citizens maintains a \$1,000,000 line of credit, which renews annually and is set to expire in August 2024. Interest is payable at a monthly rate which at September 30, 2023 was 8.78%. All unpaid interest and principal are due upon maturity. As of September 30, 2023, \$275,000 was outstanding. There was no outstanding balance at September 30, 2022.

Note 5 - Net Assets with Donor Restrictions

The following schedule summarizes net assets with donor restrictions:

| | September 30, 2023 | | | |
|--|---------------------------------|---------------------------------------|----------------------------------|------------------------------|
| | Beginning Balance 10/1/22 | Contributions and Other Changes | Released from Restrictions | Ending Balance 9/30/23 |
| Program restrictions: | | | | |
| Environmental and Community Improvement | \$ 73,500 | \$ - | \$ (73,500) | \$ - |
| Media for Opportunity and Equity | 75,000 | 55,200 | (130,200) | - |
| Total program restrictions | <u>148,500</u> | <u>55,200</u> | <u>(203,700)</u> | <u>-</u> |
| Time restrictions: | | | | |
| Donor support | 225,000 | - | (225,000) | - |
| Charitable Remainder Unitrust | 400,000 | 26,430 | | 426,430 |
| Total time restrictions | <u>625,000</u> | <u>26,430</u> | <u>(225,000)</u> | <u>426,430</u> |
| Total | <u>\$ 773,500</u> | <u>\$ 81,630</u> | <u>\$ (428,700)</u> | <u>\$ 426,430</u> |

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 5 - Net Assets with Donor Restrictions - Continued

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

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, a calculation of the present value of the underlying assets was made to determine the fair value.

Note 6 - Commitments and Contingencies

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.

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 Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 7 - Special Events

Citizens holds an annual gala and cocktail event. A summary of the special events is as follows:

| | September 30, 2023 | | |
|--|--------------------|----------------|--------------|
| | Gala | Cocktail Event | Total |
| Gross revenue | \$ 837,074 | \$ 471,433 | \$ 1,308,507 |
| Less: expenses with a direct benefit to donors | (81,546) | (70,953) | (152,499) |
| | 755,528 | 400,480 | 1,156,008 |
| Less: other event expense | (107,645) | (35,389) | (143,034) |
| Net event revenue | \$ 647,883 | \$ 365,091 | \$ 1,012,974 |

| | September 30, 2022 | | |
|--|--------------------|----------------|--------------|
| | Gala | Cocktail Event | Total |
| Gross revenue | \$ 1,516,361 | \$ 150,094 | \$ 1,666,455 |
| Less: expenses with a direct benefit to donors | (74,395) | (27,762) | (102,157) |
| | 1,441,966 | 122,332 | 1,564,298 |
| Less: other event expense | (44,922) | (22,157) | (67,079) |
| Net event revenue | \$ 1,397,044 | \$ 100,175 | \$ 1,497,219 |

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 \$53,471 and \$58,905 for contributions to the plan during the years ended September 30, 2023 and 2022, respectively. The total for September 30, 2023 and 2022 includes a \$21,708 and \$24,333 profit sharing match component from Citizens, respectively.

Citizens Committee for New York City, Inc.

Notes to Financial Statements

September 30, 2023

Note 9 - Availability and Liquidity

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

| | | |
|--|----------------|----------------------------|
| Financial assets | | |
| Cash and cash equivalents | \$ 549,151 | |
| Investments | 5,539,708 | |
| Government grants receivable | 297,902 | |
| Pledges receivable, net | <u>184,815</u> | |
| Total financial assets, end of year | | \$ 6,571,576 |
| Less amounts not available for general expenditures: | | |
| Board designated net assets | <u>297,220</u> | |
| Total amounts not available for general expenditure | | <u>297,220</u> |
| Financial assets available to meet cash needs for general expenditure within one year | | <u><u>\$ 6,274,356</u></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 10 - Subsequent Events

Management has evaluated the impact of all subsequent events through May 16, 2024, which is the date that the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.