

Audited Financial Statements

**Citizens Union Foundation of the
City of New York**

December 31, 2021 and 2020

**CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Citizens Union Foundation of the City of New York

Opinion

We have audited the accompanying financial statements of Citizens Union Foundation of the City of New York (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flow for the years 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 Citizens Union Foundation of the City of New York as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Citizens Union Foundation of the City of New York and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Union Foundation of the City of New York'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 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, 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 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 Union Foundation of the City of New York'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 Citizens Union Foundation of the City of New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



White Plains, New York
August 16, 2022

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 703,997	\$ 380,557
Cash - investments	3,181	116,876
Investments	323,977	391,041
Contributions receivable	72,620	207,355
Prepaid expenses	14,623	14,917
Due from related party	889	383
Security deposits	-	44,491
Property and equipment - net	1,716	7,026
Total assets	\$ 1,121,003	\$ 1,162,646
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 122,162	\$ 106,177
Straight-line rent liability	-	43,368
PPP loans payable	156,361	161,420
Total liabilities	278,523	310,965
Net Assets		
Without donor restrictions		
Undesignated	613,413	441,559
Designated by the Board for operating reserve	229,067	410,122
Total net assets	842,480	851,681
Total liabilities and net assets	\$ 1,121,003	\$ 1,162,646

See notes to financial statements

**CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Event income, net (Note 9)	\$ 475,182	\$ 398,059
Contributions	231,516	403,408
Grant revenue	321,761	232,833
Rental income	27,106	49,851
Investment income/(loss), net	(135)	11,658
Advertising income	6,350	95
Total revenue and support without donor restrictions	1,061,780	1,095,904
EXPENSES WITHOUT DONOR RESTRICTIONS		
Program services		
Gotham Gazette	451,460	493,650
Other activities	396,321	498,825
Management and general	99,436	119,989
Fundraising	123,764	150,714
Total expenses without donor restrictions	1,070,981	1,263,178
In-kind revenue (Note 2)	428,055	87,967
In-kind expense (Note 2)	(428,055)	(87,967)
Changes in net assets without donor restrictions	(9,201)	(167,274)
Net assets, beginning of year	851,681	1,018,955
Net assets, end of year	\$ 842,480	\$ 851,681

See notes to financial statements

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Gotham Gazette</u>	<u>Other</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries, taxes and benefits	\$ 319,490	\$ 202,695	\$ 58,682	\$ 71,722	\$ 652,589
Program event	-	3,953	-	-	3,953
Rent and related expenses	88,614	56,062	16,276	19,893	180,845
Professional fees	12,502	98,056	16,811	17,900	145,269
Bad debt	-	-	150	-	150
Office expense	11,093	10,159	1,967	9,513	32,732
Telephone	2,238	950	269	329	3,786
Depreciation and amortization	3,189	2,018	586	716	6,509
Travel and meetings	220	5,326	1,670	599	7,815
Computer expense	7,979	1,122	200	380	9,681
Printing and mailing	-	12,052	171	1,051	13,274
Insurance	6,074	3,843	1,116	1,363	12,396
Postage	61	85	1,082	298	1,526
Interest expense	-	-	456	-	456
	<u>\$ 451,460</u>	<u>\$ 396,321</u>	<u>\$ 99,436</u>	<u>\$ 123,764</u>	<u>\$ 1,070,981</u>

See notes to financial statements

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Gotham Gazette</u>	<u>Other</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries, taxes and benefits	\$ 321,447	\$ 268,605	\$ 66,962	\$ 89,283	\$ 746,297
Program event	-	1,500	-	-	1,500
Rent and related expenses	114,744	96,065	24,016	32,021	266,846
Professional fees	23,754	77,007	16,047	14,298	131,106
Bad debt	810	-	2,439	2,000	5,249
Office expense	15,006	14,183	3,841	8,377	41,407
Telephone	4,321	3,970	724	1,070	10,085
Depreciation and amortization	676	4,664	608	811	6,759
Travel and meetings	-	3,307	1,163	145	4,615
Computer expense	8,084	24,747	679	945	34,455
Printing and mailing	-	596	611	194	1,401
Insurance	4,630	3,877	969	1,292	10,768
Postage	178	304	1,930	278	2,690
	<u>\$ 493,650</u>	<u>\$ 498,825</u>	<u>\$ 119,989</u>	<u>\$ 150,714</u>	<u>\$ 1,263,178</u>

See notes to financial statements

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets without donor restrictions	\$ (9,201)	\$ (167,274)
Adjustments to reconcile change in net assets to net cash (used by) operating activities:		
Depreciation and amortization	6,509	6,759
Unrealized (gain) loss on investments	5,797	(4,614)
Realized gain on investments	(2,154)	-
Provision for bad debt	-	5,249
PPP loan forgiveness	(133,261)	-
(Increase) decrease in:		
Contributions receivable	134,735	(69,982)
Prepaid expenses	294	(3,988)
Due from related party	(506)	356
Security deposits	44,491	(1,204)
Increase (decrease) in:		
Accounts payable and accrued expenses	15,985	33,955
Straight-line rent liability	(43,368)	(2,158)
Net cash provided/(used) by operating activities	19,321	(202,901)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,583)	(7,698)
Acquisitions of fixed assets	(1,199)	-
Sales of investments	67,004	-
Net cash provided/(used) by investing activities	62,222	(7,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan payable	133,220	161,420
Principal payments made on PPP loan payable	(5,018)	-
Net cash provided by financing activities	128,202	161,420
Net increase/(decrease) in cash and cash equivalents	209,745	(49,179)
Cash and cash equivalents, beginning of year	497,433	546,612
Cash and cash equivalents, end of year	\$ 707,178	\$ 497,433
Supplemental cash flow disclosures:		
Cash paid during the year for:		
Interest	\$ 456	\$ -
Non-cash investing and financing activities:		
PPP loan forgiveness	\$ 133,261	\$ -

See notes to financial statements

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 1 – Organization and Tax Status

Founded in 1948, Citizens Union Foundation of the City of New York (“CUF”) is incorporated under the New York Not-For-Profit Corporation Law. CUF is exempt from federal income taxes under section 501(c)(3) of the United States Internal Revenue Code and is classified as a public charity by the Internal Revenue Service.

CUF is a nonprofit research, education and advocacy organization. CUF seeks a municipal and state government that is open, transparent, and responsive to the interests of the citizens of New York and undertakes efforts to increase civic participation and knowledge among the citizenry. CUF conducts research and analyzes the impact of proposed public policy and legislation at the city and state level

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which 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. Accordingly actual results could differ from those estimates.

Net Assets Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

CUF had no net assets with donor restrictions at December 31, 2021 and 2020.

Cash and Cash Equivalents

CUF considers depository accounts and investments purchased with a maturity date of three months or less to be cash and cash equivalents.

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Investment return, net is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment fees.

Contributions Receivable

Contributions receivable consist of unconditional promises to give, all of which are expected to be collected within one year.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value on the date of donation. Maintenance and repairs are charged to expense as incurred, while major renewals and betterments are capitalized. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value. There were no asset impairment losses incurred for the years ended December 31, 2021 and 2020.

Straight Line Rent

CUF records its rent in accordance with U.S. GAAP whereby all rental payments, including fixed rent increases are recognized on a straight-line basis. The difference between the straight-line rent expense and the required lease payments, as well as any unamortized lease incentives, is reflected in straight-line rent liability in the accompanying statements of financial position.

Revenue and Support

All contributions are considered available for the CUF's general programs unless specifically restricted by the donor. Unconditional promises to give are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Expense Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Whenever possible, direct expenses are charged directly to applicable programs.

Income Taxes

CUF recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that CUF had no uncertain tax positions that would require financial statement recognition or disclosure. CUF is no longer subject to examinations by the applicable taxing jurisdictions for years prior to December 31, 2018.

Fair Value Measurements

CUF follows U.S. GAAP guidance on fair value measurements of financial instruments which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In-kind Services

Donated services are recognized as contributions in accordance with GAAP if the services create or enhance non-financial assets, require specialized skills, are performed by people with those skills, and would otherwise be purchased by CUF, and are measurable. For the years ended December 31, 2021 and 2020, CUF received donated professional services of \$428,055 and \$87,967, respectively.

Concentration of Credit Risk

CUF maintains its cash and cash equivalents in accounts that are insured by the U.S. Federal Deposit Insurance Corporation (“FDIC”). Throughout the year the bank balances may exceed the limit insured by the FDIC. CUF has not experienced any losses to date resulting from this policy

**CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

Note 2 – Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement

In February 2016, FASB issued a new leasing standard in ASU 2016-02 (“Topic 842”) for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (“ROU”) assets and related lease liabilities on the statement of financial position for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement will depend on a lease’s classification. The provisions of this update are effective for fiscal years beginning after December 15, 2021. Management is evaluating the new accounting pronouncements and its applicability to CUF.

Note 3 – Liquidity and Availability

CUF regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. CUF has various sources of liquidity at its disposal, including cash and cash equivalents, investments and receivables. For purposes of analyzing resources available to meet general expenditures over a twelve month period, CUF considers all expenditures related to its ongoing activities, as well as services undertaken to support those activities to be general expenditures.

As of December 31, 2021 and 2020, CUF’s financial assets available for general expenditures, and available to CUF over the next twelve months, that is, without donor or other restrictions that limit their use, within one year of the statement of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 703,997	\$ 380,557
Cash – investments	3,181	116,876
Investments	323,977	391,041
Contributions receivable	<u>72,620</u>	<u>207,355</u>
	1,103,775	1,095,829
Less: spendable net assets designated by the Board	<u>(229,067)</u>	<u>(410,122)</u>
	<u>\$ 874,708</u>	<u>\$ 685,707</u>

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 4 – Investments

CUF has adopted an investment policy consistent with the standards of prudent management of investment assets set forth in New York Prudent Management of Institutional Funds Act. CUF maintains a “Designated by the Board” fund that it treats as an institutional reserve fund. A significant portion of that fund has been invested according to the policy.

The following is a summary of investments at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Exchange traded funds	\$ <u>323,977</u>	\$ <u>391,041</u>

As of December 31, 2021 and 2020 all investments were considered Level 1 in the fair value hierarchy.

Included in investments is \$3,181 and \$116,876 in cash for the years ended December 31, 2021 and 2020, respectively.

The composition of investment return, net as reported in the statements of activities for the year ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 3,664	\$ 7,044
Realized gains—net	1,998	-
Unrealized gain (loss)—net	<u>(5,797)</u>	<u>4,614</u>
Net investment income (loss)	<u>\$ (135)</u>	<u>\$ 11,658</u>

Note 5 – Property and Equipment - net

Property and equipment - net consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 41,901	\$ 41,901
Computers	49,273	48,074
Software	17,158	17,158
Furniture and fixtures	30,057	30,057
Leasehold improvements	4,720	4,720
Website development	<u>19,309</u>	<u>19,309</u>
	162,418	161,219
Less accumulated depreciation and amortization	<u>(160,702)</u>	<u>(154,193)</u>
	<u>\$ 1,716</u>	<u>\$ 7,026</u>

Depreciation and amortization expense was \$6,509 and \$6,759 for the years ended December 31, 2021 and 2020, respectively.

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 6 – Board Designated Institutional Reserve Fund

CUF’s institutional reserve fund was designated by the Board of Directors, in an amount originally totaling \$500,000, as a separate organizational fund to be invested in accordance with its investment policy (see Note 4) and used for purposes approved by the Board.

Strategies Employed for Achieving Return Objectives

The investment strategy of CUF is based on a disciplined, consistent and diversified approach utilizing multiple asset classes, as appropriate. The intent is to accommodate and consider diverse strategies deemed reasonable and prudent. Invested assets are managed with the goal of protecting principal while generating income appropriate to an investment strategy generally characterized by investment advisors as “Moderate” or “Moderate Growth.”

Spending Policy

Decisions with respect to spending from the Institutional Reserve Fund shall be made by the Board in compliance with prudence standards.

Note 7 – Concentration of Revenue and Support

CUF received a substantial portion of its revenue from fundraising efforts in relation to its annual dinner and spring events. For the years ended December 31, 2021 and 2020, CUF received approximately 49% and 40% of its total revenue and support from its fundraising efforts.

Note 8 – Affiliation with Citizens Union of the City of New York and Related Party Transactions

CUF is affiliated with Citizens Union of the City of New York (“CU”), a Not-for-Profit organization tax-exempt under Internal Revenue Code Section 501(c)(4). CU was formed as a union of citizens of New York City, without regard to political party, for the purpose of securing the honest and efficient government of the City of New York.

CU and CUF have entered into an agreement to share common facilities and certain expenses in accordance with conditions and formulas set for the purpose. The staffs of the two organizations maintain records of the time spent of each activity and allocate expenses based upon employee hours.

For the years ended December 31, 2021 and 2020, CUF billed CU for shared operating expenses excluding rent of \$38,151 and \$40,740, respectively. The balance due from CU was \$889 and \$383 as of December 31, 2021 and 2020, respectively. The balance due from CU was paid in full in the subsequent year.

CUF has entered into a sub-lease agreement with CU for the use of office space. Rental income was \$27,106 and \$49,851 for the years ended December 31, 2021 and 2020, respectively.

**CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

**Note 8 – Affiliation with Citizens Union of the City of New York and Related Party Transactions
(continued)**

On June 16, 2021, the sublease was terminated and a termination settlement payment of \$180,709 was paid to the landlord.

Note 9 – Events

As part of its fundraising efforts, CUF holds periodic events. Revenues for events are recognized in the period in which the event is held. Direct expenses associated with events are netted against such revenue as follows:

	<u>2021</u>	<u>2020</u>
Event revenue	\$ 554,107	\$ 455,107
Event direct expenses	<u>78,925</u>	<u>57,048</u>
Event revenue, net	<u>\$ 475,182</u>	<u>\$ 398,059</u>

Note 10 – Commitments

Facility Lease

On August 2, 2018, CUF entered into a 5 year operating lease for office space beginning on October 1, 2018 and ending on September 30, 2023. The lease provides for rent escalations and CUF is responsible for electricity and real estate taxes.

On June 16, 2021, CUF entered into a Surrender Agreement with 299 Broadway LLC (the “Landlord”) to terminate the facility lease. The effective date of the surrender was June 8, 2021 and CUF agreed to pay termination compensation in the amount of \$225,200 to the Landlord. The termination compensation included the forfeiture of the entire security deposit.

Note 11 – Retirement Plan

CUF maintains a simplified employee pension plan (SEP-IRA). Upon one year of service, employees of CUF who earn in excess of \$450 are eligible for contributions to the plan. At the discretion of the Board of Directors, CUF may make a discretionary contribution equal to a percentage of the participants’ salary. CUF contributed 4% of each eligible employee’s annual salary in 2021 and 2020. Expenses related to retirement contributions were \$19,432 and \$22,638 for the years ended December 31, 2021 and 2020, respectively, and are included in salaries, taxes and benefits.

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 12 – PPP Loans Payable

On May 5, 2020, CUF qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the “PPP Lender”), for an aggregate principal amount of \$161,420 (the “PPP Loan”). The PPP Loan bears interest at a fixed rate of 1.00% per annum, with the first six months of interest deferred, and has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon CUF’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by CUF.

Subsequently, CUF applied for and received partial forgiveness of the loan in the amount of \$133,261 from the Small Business Administration on August 4, 2021. This forgiveness of debt is included in grant revenue on the statement of activities. On August 19, 2021, CUF entered into an Amended and Restated Promissory Note with their lender for the unforgiven portion of principal of \$28,159. This Amended and Restated Promissory Note bears interest at a fixed rate of 1.00% per annum and has a five-year term. The outstanding loan balance as of December 31, 2021, was \$23,141 and is included in PPP loans payable on the statement of financial position.

On December 27, 2020, in response to COVID-19, the federal government passed part 2 of the CARES Act. In February 2021, CUF applied for and was granted a second draw loan of \$133,220.

Subsequently, CUF applied for and received full forgiveness of the loan in the amount of \$133,220 from the Small Business Administration on January 12, 2022

Principal payments on the Amended and Restated Promissory Note will be as follows:

2022	\$ 140,850
2023	7,706
2024	7,805
Total Amended and Restated Note Payable	<u><u>\$ 156,361</u></u>

CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 13 – COVID-19 pandemic

In March, 2020 the World Health Organization (“WHO”) declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our organization, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and restrictive measures taken to contain or prevent their further spread, among others. Accordingly, CUF cannot predict the extent to which the financial condition and results of operations will be affected.

Note 14 – Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through August 16, 2022, the date these financial statements were available to be issued.