

**CITIZENS UNION FOUNDATION OF**

**THE CITY OF NEW YORK**

Financial Statements

December 31, 2022 and 2021

**CITIZENS UNION FOUNDATION OF THE CITY OF NEW YORK**

Financial Statements  
December 31, 2022 and 2021

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13

## INDEPENDENT AUDITOR'S 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 statements of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. The financial statements of Citizens Union Foundation of the City of New York as of December 31, 2021, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated August 3, 2022.

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, 2022 and 2021, 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 the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

*Berard + Associates CPA's PC*

Berard & Associates, CPA's P.C.  
Suffern, New York 10901  
October 20, 2023

**CITIZEN UNION FOUNDATION**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 567,695	\$ 707,178
Accounts receivable, net	84,925	72,620
Investments	318,596	323,977
Prepaid expenses	6,396	14,623
Due from Citizens Union of the City of New York	32	889
Total current assets	977,644	1,119,287
Noncurrent assets		
Property and equipment, net	3,131	1,716
Total noncurrent assets	3,131	1,716
Total assets	\$ 980,775	\$ 1,121,003
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 65,770	\$ 122,162
PPP loans payable	15,513	156,361
Total liabilities	81,283	278,523
Net assets		
Without donor restrictions		
Undesignated	675,521	613,413
Board designated - operating reserve	223,971	229,067
Total net assets without donor restrictions	899,492	842,480
With donor restrictions	-	-
Total net assets with donor restrictions	-	-
Total net assets	899,492	842,480
Total liabilities and net assets	\$ 980,775	\$ 1,121,003

See notes to financial statements

**CITIZEN UNION FOUNDATION**  
 Statements of Activities  
 Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUE SUPPORT</b>						
Event income	\$ 595,488	\$ -	\$ 595,488	\$ 554,107	\$ -	\$ 554,107
Event expense	(113,293)	-	(113,293)	(78,925)	-	(78,925)
Contributions	327,336	-	327,336	231,516	-	231,516
Grant revenue	152,220	-	152,220	321,761	-	321,761
Rental income	-	-	-	27,106	-	27,106
Investment income	(5,036)	-	(5,036)	(135)	-	(135)
Advertising Income	-	-	-	6,350	-	6,350
Total support revenue	<u>956,715</u>	<u>-</u>	<u>956,715</u>	<u>1,061,780</u>	<u>-</u>	<u>1,061,780</u>
<b>EXPENSES</b>						
Gotham gazette	360,920	-	360,920	451,460	-	451,460
Other activities	319,562	-	319,562	396,321	-	396,321
Management and general	94,132	-	94,132	99,436	-	99,436
Fundraising	125,089	-	125,089	123,764	-	123,764
Total expenses	<u>899,703</u>	<u>-</u>	<u>899,703</u>	<u>1,070,981</u>	<u>-</u>	<u>1,070,981</u>
In-kind revenue (note 12)	-	-	-	428,055	-	428,055
In-kind expenses (note 12)	-	-	-	(428,055)	-	(428,055)
<b>Change in net assets</b>	57,012	-	57,012	(9,201)	-	(9,201)
Net assets - beginning	<u>842,480</u>	<u>-</u>	<u>842,480</u>	<u>851,681</u>	<u>-</u>	<u>851,681</u>
Net assets - ending	<u>\$ 899,492</u>	<u>\$ -</u>	<u>\$ 899,492</u>	<u>\$ 842,480</u>	<u>\$ -</u>	<u>\$ 842,480</u>

See notes to financial statements

**CITIZEN UNION FOUNDATION**  
Statement of Functional Expenses  
Years Ended December 31, 2022 and 2021

	2022					2021				
	Program Services		Supporting Services			Program Services		Supporting Services		
	Gotham Gazette	Other	Management and General	Fundraising	Total	Gotham Gazette	Other	Management and General	Fundraising	Total
Salaries	\$ 269,056	\$ 176,985	\$ 51,138	\$ 73,867	\$ 571,046	\$ 254,356	\$ 161,488	\$ 46,718	\$ 57,100	\$ 519,662
Employee benefits	42,514	28,041	8,141	11,759	90,455	42,749	27,045	7,852	9,596	87,242
Payroll taxes	23,613	15,575	4,522	6,531	50,241	22,385	14,162	4,112	5,026	45,685
Total salaries and related costs	<u>335,183</u>	<u>220,601</u>	<u>63,801</u>	<u>92,157</u>	<u>711,742</u>	<u>319,490</u>	<u>202,695</u>	<u>58,682</u>	<u>71,722</u>	<u>652,589</u>
Office supplies	2,767	6,203	3,706	13,350	26,026	11,093	10,159	1,967	9,513	32,732
Professional fees and consultants	8,229	56,541	9,474	14,408	88,652	12,502	98,056	16,811	17,900	145,269
Rent and related expenses	-	-	-	-	-	88,614	56,062	16,276	19,893	180,845
Program	100	17,107	2,717	2,000	21,924	-	3,953	-	-	3,953
Computer expenses	7,920	2,435	-	180	10,535	7,979	1,122	200	380	9,681
Insurance	3,905	2,576	748	1,080	8,309	6,074	3,843	1,116	1,363	12,396
Travel	262	4,805	631	481	6,179	220	5,326	1,670	599	7,815
Telephone and communications	2,018	2,703	367	530	5,618	2,238	950	269	329	3,786
Postage	47	28	807	567	1,449	61	85	1,082	298	1,526
Printing and project supplies	-	6,165	789	200	7,154	-	12,052	171	1,051	13,274
Interest expense	-	-	198	-	198	-	-	456	-	456
Miscellaneous	-	-	6,550	-	6,550	-	-	-	-	-
Advertising	-	75	-	-	75	-	-	-	-	-
Bad debt expense	-	-	4,250	-	4,250	-	-	150	-	150
Total expenses before depreciation	<u>360,431</u>	<u>319,239</u>	<u>94,038</u>	<u>124,953</u>	<u>898,661</u>	<u>448,271</u>	<u>394,303</u>	<u>98,850</u>	<u>123,048</u>	<u>1,064,472</u>
Depreciation	489	323	94	136	1,042	3,189	2,018	586	716	6,509
Total	<u>\$ 360,920</u>	<u>\$ 319,562</u>	<u>\$ 94,132</u>	<u>\$ 125,089</u>	<u>\$ 899,703</u>	<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

**CITIZEN UNION FOUNDATION**  
 Statements of Cash Flows  
 Years Ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 57,012	\$ (9,201)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	1,042	6,509
Unrealized loss on investments	11,536	5,797
Realized (gain) on investments	-	(2,154)
PPP loan forgiveness	(133,220)	(133,261)
Changes in operating assets and liabilities:		
Decrease in prepaid expenses	8,227	294
Decrease in accounts receivable	(12,305)	134,735
Decrease (increase) in due from related parties	857	(506)
Decrease in security deposits	-	44,491
(Decrease) increase in accounts payable and accrued expenses	(56,392)	15,985
(Decrease) in rent liability	-	(43,368)
Net cash (used in) provided by operating activities	(123,243)	19,321
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale of investments	-	67,004
Purchase of investments	(6,155)	(3,583)
Purchase of property and equipment	(2,457)	(1,199)
Net cash (used in) provided by investing activities	(8,612)	62,222
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on PPP loan	(7,628)	(5,018)
Proceeds from PPP loan	-	133,220
Net cash (used in) provided by financing activities	(7,628)	128,202
Net (decrease) increase in cash	(139,483)	209,745
Cash, beginning of year	707,178	497,433
Cash, end of year	\$ 567,695	\$ 707,178
Supplemental Disclosures:		
Interest paid	\$ 198	\$ 456

See notes to financial statements



## **CITIZEN UNION FOUNDATION**

Notes to Financial Statements

December 31, 2022 and 2021

### **NOTE 1 – ORGANIZATION AND PURPOSE**

Founded in 1948, Citizens Union Foundation of the City of New York (“the Organization”) is incorporated under the New York Not-For-Profit Corporation Law. The Organization 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.

The Organization is a nonprofit research, education and advocacy organization. The Organization 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. The Organization 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 Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications, with or without donor restrictions.

#### Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates those resources be maintained in perpetuity.

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

It is the policy of the Organization to account for donor-restricted funds, which are received and expended in the same year, to be recorded as unrestricted.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

## CITIZEN UNION FOUNDATION

Notes to Financial Statements

December 31, 2022 and 2021

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

#### Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Purchases of property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Maintenance and repairs are charged to expense as incurred, while major renewals and betterments are capitalized. Depreciation is computed using the straight-line method over the useful lives of the assets, ranging from 3 to 10 years.

#### Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an assets may not be recoverable. No impairment was identified at December 31, 2022 and 2021.

#### Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows.

#### Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The method used to determine the value is based on an industry per hour professional fee.

#### Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by nature and by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

#### Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

## **CITIZEN UNION FOUNDATION**

Notes to Financial Statements  
December 31, 2022 and 2021

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

#### Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status: to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

#### Reclassifications

Certain amounts in the 2021 financial statements may have been reclassified to conform to the current year's presentation.

### **NOTE 3 – PROGRAMS**

The Organization focuses on research and education. The Organization conducts in-depth research on public policy, provides information to the public, and promotes public policy solutions.

### **NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles provide a framework for measuring fair value. The framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The Organization has adopted an investment policy consistent with the standards of prudent management of investment assets set forth in the New York Prudent Management of Institutional Funds Act. The Organization maintains a "Designated by the Board" fund that it treats as an institutional reserve fund. A portion of the total investments is included in this fund.

As of December 31, 2022 and 2021, the Organization's investments totaled \$318,596 and \$323,977, respectively, and consisted of exchange-traded funds. Investments are reported at fair value using a Level 1 measurement.

**CITIZEN UNION FOUNDATION**

Notes to Financial Statements

December 31, 2022 and 2021

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – Continued**

Net investment return for the years ended December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 6,500	\$ 3,664
Realized gain (loss), net	-	1,998
Unrealized gain (loss), net	(11,536)	(5,797)
Net investment income (loss)	<u>\$ (5,036)</u>	<u>\$ (135)</u>

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 41,901	\$ 41,901
Computers	51,731	49,273
Software	17,158	17,158
Furniture and fixtures	30,057	30,057
Leasehold improvements	4,720	4,720
Website development	19,309	19,309
Total assets	164,876	162,418
Accumulated depreciation	(161,745)	(160,702)
Net property and equipment	<u>\$ 3,131</u>	<u>\$ 1,716</u>

Depreciation expense was \$1,042 and \$6,509 for the years ended December 31, 2022 and 2021, respectively

**NOTE 6 – BOARD DESIGNATED NET ASSETS**

In October 2017, the Board of Directors designated \$600,000 of the Organization's portfolio balance to investments that were shorter term and more liquid to protect against any shortfalls in operating cash and to cover operating expenses authorized by the Board. In March 2018, the Board approved up to \$500,000 of this reserve to be spent for cash needs. As of December 31, 2022, the Organization has \$96,175 remaining cash approved for use by the Board. In October 2018, the Board approved the remaining long-term portfolio to be transferred to a liquidity portfolio and to be reserved for board-authorized operating purposes. As of December 31, 2022 and 2021, the Organization had \$223,971 and \$229,067, respectively, of unrestricted board-designated net assets. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as unrestricted net assets.

## **CITIZEN UNION FOUNDATION**

Notes to Financial Statements  
December 31, 2022 and 2021

### **NOTE 7 – CONCENTRATION OF CREDIT RISK**

The Organization received a substantial portion of its revenue from fundraising efforts in relation to its annual events. For the years ended December 31, 2022 and 2021, the Organization received approximately 56% and 35% of its total revenue and support from its fundraising efforts.

The Organization maintains cash balances in one bank. The balance at the financial institution is insured by the Federal Deposit Insurance Corporation limit of up to \$250,000. As of December 31, 2022 and 2021, cash accounts exceeded the insured balance by \$313,854 and \$440,830, respectively.

### **NOTE 8 – AFFILIATION WITH CITIZENS UNION OF THE CITY OF NEW YORK AND RELATED PARTY TRANSACTIONS**

Citizens Union Foundation of the City of New York (“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, 2022 and 2021, CUF billed CU for shared operating expenses of \$29,452 and \$38,151, respectively. The balance due to CUF was \$32 and \$889 as of December 31, 2022 and 2021, respectively. These balances due to CUF were paid in full in the subsequent year.

CUF entered into a sub-lease agreement with CU for the use of office space that was terminated on June 16, 2021. Rental income was \$27,106 for the year ended December 31, 2021.

### **NOTE 9 – RETIREMENT PLAN**

The Organization maintains a simplified employee pension plan (SEP-IRA). Upon one year of service, employees of the Organization who earn in excess of \$450 are eligible for contributions to the plan. At the discretion of the Board of Directors, the Organization may make a discretionary contribution equal to a percentage of the participants' salary. The Organization contributed 4% of each eligible employee's annual salary in 2022 and 2021. Expenses related to retirement were \$18,303 and \$19,432 for the years ended December 31, 2022 and 2021, respectively, and are included in salaries, taxes and benefits.

## CITIZEN UNION FOUNDATION

Notes to Financial Statements  
December 31, 2022 and 2021

### NOTE 10 – EVENTS

As part of its fundraising efforts, the Organization holds periodic events. Revenues for events are recognized in the period in which the event is held. For the years ended December 31, 2022 and 2021, gross income from events was \$595,488 and \$554,107 and direct expenses were \$113,293 and \$78,925, respectively.

### NOTE 11 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Organization's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, the Board of Directors has set aside the funds for specific reserve or long-term investments as the Board of Directors designated. The Board of Directors designations could be drawn upon if the Board of Directors approves that action.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 567,695	\$ 707,178
Investments	318,596	323,977
Accounts receivable, net	84,925	72,620
Due from Citizens Union of the City of New York	<u>32</u>	<u>889</u>
Total financial assets, at year end	971,248	1,104,664
Less: board designated – operating reserve	(223,971)	(229,067)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 747,277</u>	<u>\$ 875,597</u>

### NOTE 12 – DONATED SERVICES

The Organization pays for most services requiring specific expertise. However, some individuals and firms volunteer their time and perform a variety of tasks that assist the Organization. For the year ended December 31, 2022 and 2021, the Organization received donated services in the amount of \$0 and \$428,055, respectively.

A number of volunteers, including members of the Board of Directors, have made significant contributions of time to the Organization's policy-making, program and support functions. The value of time does not meet the criteria for recognition of contributed services under generally accepted accounting principles and, accordingly, is not reported in these financial statements.

### NOTE 13 – PPP LOANS PAYABLE

On May 5, 2020, the Organization 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").

**CITIZEN UNION FOUNDATION**

Notes to Financial Statements

December 31, 2022 and 2021

**NOTE 13 – PPP LOANS PAYABLE – Continued**

Subsequently, the Organization applied for and received partial forgiveness of the loan in the amount of \$133,261 from the Small Business Administration on August 4, 2021. On August 19, 2021, the Organization 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, 2022 and 2021, was \$15,513 and \$23,141 and is included in PPP loans payable on the balance sheet

Principal payments on the amended and restated promissory note will be as follows:

2023	\$ 7,708
2024	\$ 7,805

On February 12, 2021, the Organization qualified for and received a second 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 \$133,220 (the “PPP Loan”). This amount was recorded as income in the year ended December 31, 2021.

The Organization applied for and received full forgiveness of the loan in the amount of \$133,220 from the Small Business Administration on January 12, 2022. This was recorded as income in the year ended December 31, 2022.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through October 20, 2023, the date these financial statements were available to be issued.