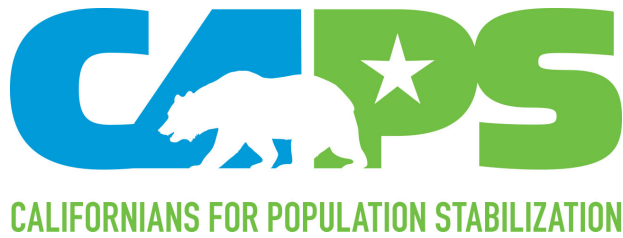
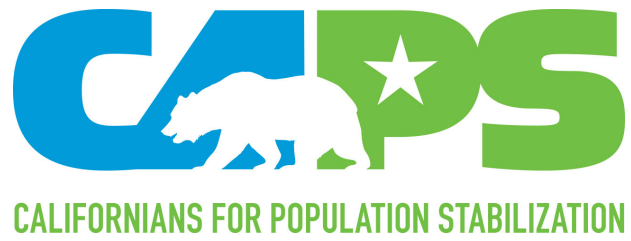


**KEVIN E. FORDYCE, CPA**



Financial Statements for the  
Year Ended December 31, 2021



Financial Statements for the  
Year Ended December 31, 2021

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

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### Independent Auditors' Report

To the Board of Directors  
Californians for Population Stabilization

#### **Opinion**

We have audited the accompanying financial statements of Californians for Population Stabilization (the "Organization") which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### **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 the Organization 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 GAAP, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditors' 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.

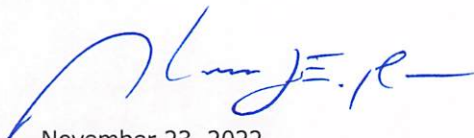
In performing an audit in accordance with GAAS, we:

- 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 the Organization '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 the Organization '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.

#### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements, and our report dated August 20, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



November 23, 2022  
Glendale, California

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

	Without Donor Restrictions	With Donor Restrictions	Total	
<b><u>Assets</u></b>			<u>2021</u>	<u>2020</u>
Cash	\$ 210,058	\$ -	\$ 210,058	\$ 39,189
Marketable Securities	1,008,783	-	1,008,783	1,050,593
Prepaid Expenses and Deposits	9,375	-	9,375	1,461
Interest in Charitable Remainder Trust	-	372,878	372,878	312,811
Equipment, Net	2,707	-	2,707	6,564
Total Assets	<u>\$ 1,230,923</u>	<u>\$ 372,878</u>	<u>\$ 1,603,801</u>	<u>\$ 1,410,618</u>
<b><u>Liabilities</u></b>				
Accounts Payable and Accrued Liabilities	\$ 19,669	\$ -	\$ 19,669	\$ 31,820
Loan	44,987	-	44,987	43,175
Total Liabilities	<u>64,656</u>	<u>-</u>	<u>64,656</u>	<u>74,995</u>
<b><u>Net Assets</u></b>				
Without Donor Restrictions	1,166,267	-	1,166,267	1,006,467
With Donor Restrictions	-	372,878	372,878	329,156
Total Net Assets	<u>1,166,267</u>	<u>372,878</u>	<u>1,539,145</u>	<u>1,335,623</u>
Total Liabilities and Net Assets	<u>\$ 1,230,923</u>	<u>\$ 372,878</u>	<u>\$ 1,603,801</u>	<u>\$ 1,410,618</u>

The accompanying notes are an integral part of these financial statements.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
<b><u>Support and Revenue</u></b>				
Contributions	\$ 534,728	\$ -	\$ 534,728	\$ 423,315
Government Grants	95,511	-	95,511	-
Change in Value of Charitable Remainder Trust	-	60,067	60,067	12,989
Interest and Dividend Income	10,768	-	10,768	20,169
Gain on Investments	7,422	-	7,422	750
Other Income	24	-	24	5,687
Net Assets Released From Restrictions	16,345	(16,345)	-	-
Total Support and Revenue	<u>664,798</u>	<u>43,722</u>	<u>708,520</u>	<u>462,910</u>
<b><u>Expenses</u></b>				
Program Services	367,160	-	367,160	345,156
Supporting Services:				
Management and General	117,309	-	117,309	113,248
Fundraising	20,529	-	20,529	20,534
Total Expenses	<u>504,998</u>	<u>-</u>	<u>504,998</u>	<u>478,938</u>
Increase/(Decrease) in Net Assets	159,800	43,722	203,522	(16,028)
Net Assets at Beginning of Year	<u>1,006,467</u>	<u>329,156</u>	<u>1,335,623</u>	<u>1,351,651</u>
Net Assets at End of Year	<u>\$ 1,166,267</u>	<u>\$ 372,878</u>	<u>\$ 1,539,145</u>	<u>\$1,335,623</u>

The accompanying notes are an integral part of these financial statements.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	Program Services	Management and General	Fundraising	Total	
				2021	2020
<b>Salaries Wages and Benefits:</b>					
Salaries and Wages	\$ 174,266	\$ 61,270	\$ 15,569	\$ 251,105	\$ 248,299
Payroll Taxes	14,134	4,970	1,263	20,367	19,162
Employee Benefits	9,868	3,469	882	14,219	16,166
Total Personnel Expenses	<u>198,268</u>	<u>69,709</u>	<u>17,714</u>	<u>285,691</u>	<u>283,627</u>
<b>Other Operations:</b>					
Advertising Campaigns and College Outreach	136,168	-	-	136,168	120,760
Legal and Accounting	-	31,251	-	31,251	30,160
Office Expenses	14,691	5,165	1,312	21,168	11,307
Rent and Facility Expense	8,189	2,879	732	11,800	12,175
Telephone and Utilities	3,934	1,383	351	5,668	4,935
Insurance	-	5,267	-	5,267	4,641
Depreciation	2,677	941	239	3,857	4,364
Printing and Postage	928	326	83	1,337	1,479
Office Supplies	1,009	355	90	1,454	2,849
Equipment Rental	1,203	-	-	1,203	1,280
Board Meetings and Travel	93	33	8	134	556
Development	-	-	-	-	600
Internet and Web Presence	-	-	-	-	205
Total Other Operations	<u>168,892</u>	<u>47,600</u>	<u>2,815</u>	<u>219,307</u>	<u>195,311</u>
Total Expenses	<u>\$ 367,160</u>	<u>\$ 117,309</u>	<u>\$ 20,529</u>	<u>\$ 504,998</u>	<u>\$ 478,938</u>

The accompanying notes are an integral part of these financial statements.



**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ 203,522	\$ (16,028)
Adjustment to Reconcile Change in Net Assets to Net Cash Provided By/(Used In) Operating Activities		
Forgiveness of PPP Loan	(43,175)	-
Depreciation	3,857	4,364
Change in Value of Interest in Charitable Remainder Trust	(60,067)	(12,989)
Realized and Unrealized Gain on Investments	(7,422)	(750)
Reinvested Dividends and Interest	(10,768)	(20,169)
Changes in:		
Pledges and Accounts Receivable	-	2,060
Prepaid Expenses	(7,914)	2
Accounts Payable and Accrued Expenses	(12,151)	7,037
Net Cash Provided By/(Used In) Operating Activities	65,882	(36,473)
<b>Cash Flows from Investing Activities:</b>		
Purchase of Investments	(10,000)	(335,053)
Proceeds from Sale and Maturity of Investments	70,000	315,000
Net Cash Provided By/(Used In) Investing Activities	60,000	(20,053)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Government Paycheck Protection Program Loan	44,987	43,175
<b>Net Decrease in Cash</b>	170,869	(13,351)
Cash at Beginning of Year	39,189	52,540
<b>Cash at End of Year</b>	\$ 210,058	\$ 39,189

The accompanying notes are an integral part of these financial statements.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1 – Organization**

Californians for Population Stabilization Inc., (“CAPS” or the “Organization”) is a not-for-profit organization originally incorporated under the laws of California on March 12, 1979 as Zero Population Growth – California Foundation, Incorporated. The name was changed to Californians for Population Stabilization, Inc. on March 5, 1986. Its principal place of business is in Ventura, California.

CAPS’ primary programs are as follows:

*Overpopulation Awareness Media Campaign*

Throughout 2021, CAPS continued to receive media coverage of its positions highlighting the connections among population growth, excessive immigration, and environmental degradation.

Successful campaigns included television, radio, digital and print campaigns that:

- Highlighted the relationship between the growth in human population and larger, more destructive wildfires;
- Drew attention to role of population growth in environmental degradation and loss of biodiversity;
- Demonstrated the connection among sanctuary policies, increased illegal immigration, and serious criminal acts;
- Showed that the influx of foreign workers depressed wages of American workers who are citizens and legal permanent residents.

*Education and Communication*

In newsletters, emails, and website articles, CAPS utilized its Senior Writing Fellows and other knowledgeable authors to publish well-written research on topics related to the primary purpose of the organization—to show how lower population growth effected through small families and decreased immigration levels will protect the environment and preserve a good quality of life for all.

*Online Education and Advocacy*

CAPS engages in education and advocacy programs designed to reach public officials and opinion-leaders—both in California and at the national level—by mail, email, social media, phone calls, and CAPS’ website, [www.CAPSweb.org](http://www.CAPSweb.org).

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to not-for-profit organizations. Revenues are reported as increases in unrestricted net assets, unless there are donor-imposed purposes and/or time restrictions on the gifted assets. Expenses are reported as decreases in unrestricted net assets. Gains or losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates. Significant estimates include useful lives of fixed assets and their related depreciation method, allocations of functional expenses, valuation of the interest in the charitable remainder trust, allowance for uncollectible pledges and the fair value for contributed assets.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Financial Statement Presentation and Contributions**

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received or pledged. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in the primary objectives of the Organization.

Net Assets with Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time or are restricted for long periods of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions.

Some net assets with donor restrictions may be restricted by the donors for investment in perpetuity. The investment income is generally available for general support of the Organization's programs and operations.

It is the policy of the Organization to record support that is donor restricted as support without donor restrictions when the donor-imposed restrictions have been satisfied within the reporting period.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and in demand deposit accounts. The Organization considers investments with original maturities of three months or less at the time of purchase to be cash equivalents.

**Pledges and Accounts Receivable**

Pledges are recorded as revenue at the time of the pledge. Long-term pledges are discounted over the term of the pledge using an appropriate discount rate.

Accounts receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of allowance for doubtful accounts, if any, represents their estimated net realizable value.

The allowance for doubtful accounts, if any, is estimated based on historical trends, type of customer, the age of the outstanding receivables, and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance adjusted accordingly.

**Investments**

Investments are stated at fair value for securities that are regularly traded and available for sale, or amortized cost for notes that the Organization intends to hold until maturity. The estimated fair value of investments is based on quoted market prices, except for alternative investments for which quoted market prices are not available. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statement of activities and changes in net assets in the period that such fluctuations occur. The Organization does not currently own any alternative investments for which quoted prices are unavailable.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Fair Value of Financial Instruments**

In accordance with Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements*, fair value is defined as the price that the Organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820 establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level I        Quoted prices in active markets for identical assets and liabilities.
  
- Level II       Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
  
- Level III      Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests

**Concentrations**

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash, cash equivalents, and receivables. The Organization maintains cash and cash equivalents primarily with major financial institutions. From time to time, such amounts may exceed Federal Deposit Insurance Corporation limits, however management does not believe such overages represent a significant credit risk.

One donor comprises 62% of the total revenue related to contributions for the year ended December 31, 2021.

**Property and Equipment**

Property and equipment are recorded at cost if purchased or at fair value as of the date of donation if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than one thousand dollars and the useful life is greater than one year. Leasehold improvements, if any, are depreciated over the useful life of the asset or the estimated time of the lease, whichever period is shorter. The property and equipment comprised primarily of computer equipment which is depreciate over three years.

**Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flow is less than the carrying value of an asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended December 31, 2021.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition**

Donor grants and contributions are recognized as revenues when they are received or unconditionally pledged. The Organization reports gifts of cash and other assets as donor restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restriction. Contributions that include donor restrictions that are satisfied either by the passage of time or satisfying the donor restricted purpose in the same period as the contribution is received are reported as support without donor restrictions.

Grants that are considered to be exchange contracts are recognized as they are determined to be earned in accordance with the guidance provided by ASU Topic 606.

**Contributed Assets and Services**

Contributions of donated assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

A substantial number of volunteers have donated their time to CAPS' board in an advisory capacity. This volunteer service does not meet the recognition criteria noted above, thus no amount has been recorded in these financial statements for these services.

**Functional Allocation of Expenses**

Costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit, generally direct labor.

**Advertising Costs**

All advertising costs are expensed as incurred.

**Income Taxes**

The Organization is a nonprofit organization exempt from income taxes under section 501(c)(3) of the Internal Revenue Code, and Section 23701(d) of the California State Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization applies the recognition requirements for uncertain income tax positions as required by GAAP. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates. Furthermore, the Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

**Note 3 – Investments**

The investment goal of the Organization is to maintain or grow its spending power in real inflation adjusted terms with risk at a level appropriate to the Organization’s programmatic spending and objectives. The Organizations’ investments in marketable securities are in cash and cash equivalents, developed market equities, and fixed income instruments.

All securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of the Organization’s investments and total net assets balance could fluctuate materially.

The following table summarizes the valuation of the Organization’s investments and interests in charitable remainder trust and gift annuity per the ASC 820 fair value hierarchy levels as of December 31, 2021:

	Level I	Level II	Level III	Total
<u>Investments</u>				
Cash and Equivalents	\$ 738,062	\$ -	\$ -	\$ 738,062
Equities	38,682	-	-	38,682
Fixed Income Securities	232,039	-	-	232,039
Total Investments	<u>1,008,783</u>	<u>-</u>	<u>-</u>	<u>1,008,783</u>
<u>Interest In Trusts and Annuities</u>				
Interest in Charitable Remainder Trust	<u>-</u>	<u>-</u>	<u>372,878</u>	<u>372,878</u>
Total of Investments and Interest in Trusts Reported at Fair Value	<u>\$ 1,008,783</u>	<u>\$ -</u>	<u>\$ 372,878</u>	<u>\$ 1,381,661</u>

The gain on investments of \$7,422 reported in the statement of activities includes investment management fees of \$2,343.

The following schedule shows the changes in Level III investments and assets, which are comprised of the Organization’s interest in the charitable remainder trust and gift annuity for the year ended December 31, 2021:

Beginning Balance at December 31, 2020	\$ 312,811
Change in Estimated Fair Value of the Interest in Charitable Remainder Trust	<u>60,067</u>
Ending Balance at December 31, 2021	<u>\$ 372,878</u>

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 4 – Interest in Charitable Remainder Trust**

The Organization has a 1/7<sup>th</sup> remainderman beneficiary interest in one charitable remainder unitrust. The Organization does not serve as a trustee for the trust. The Organization initially recorded its interest in the trust several years ago when it first became aware of the trust and it became irrevocable in nature. The initial contribution was recorded at its net present value by taking the known value of trust at the recording date, the known trust annual payout percentage to the surviving beneficiary and estimating (1) the remaining life of the surviving beneficiary, (2) the annual growth rate of the trust's invested portfolio, and discounting the resulting expected value to be contributed to the Organization using an estimated appropriate rate of discount.

Each year the Organization is updated as to the current total value of the trust, which they use to update their estimate of the present value of the ultimate distribution of the trust's assets. The change in present value of the estimated future benefits to be received when the trust assets are ultimately distributed is recorded in the statement of activities as a change in the value of the charitable remainder trust. The change for the year ended December 31, 2021 was an increase in value of \$60,067.

The total value of the unitrust at December 31, 2021 is \$3,509,357. The significant estimates in the calculation are as follows: Estimated remaining life of the beneficiary at December 31, 2021 is six years; annual expected portfolio growth rate is 4%, and the discount rate is 4%, and the expected payout rate is 5%. All estimates are reviewed on an annual basis for accuracy.

**Note 5 – Property and Equipment**

Depreciable equipment at December 31, 2021 consists of depreciable furniture, fixtures, and computers and their related software as shown in the schedule below:

Furniture and Fixtures	\$ 14,322
Computers	23,664
Software	<u>22,686</u>
Total	60,672
Less: Accumulated Depreciation	<u>(57,965)</u>
Property and Equipment, net	\$ 2,707

Depreciation expense totaled \$3,857 for the year ended December 31, 2021.

**Note 6 – Government Loans**

In May of 2020, the Organization took advantage of the Federal Government's Small Business Administration's Paycheck Protection Plan ("PPP") loan program and obtained a loan in the amount of \$43,175 for possible additional liquidity needs. The loan carries a 1% interest rate and is to be paid off over a two-year period commencing in the fiscal year ended December 31, 2021. The loan is forgivable up to 100% if the funds are used for salaries and other approved expenditures. This loan was forgiven in its entirety during the year ended December 31, 2021.

In March 2021, management applied for a Second PPP loan in the amount of \$44,987. The loan carries a five-year term at 1% interest per annum, with payments scheduled to begin during the fiscal year ended Dec 31, 2022. The loan is forgivable up to 100% if the funds are spent on payroll and certain other expenses. Management believes they will qualify to have the loan forgiven in full or in part.

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 7 – Net Assets with Donor Restrictions**

The Organization classifies net asset with donor restrictions into two separate categories, donor restricted net assets with purpose restrictions, and donor restricted net assets with time restrictions. Time restrictions relate to net assets that will not be available for use to the Organization until future time periods. At December 31, 2021, the only restricted net asset was the time-restriction of \$372,878 related to the interest in the charitable remainder trust discussed in Note 4. In the year ended December 31, 2021, the Organization released \$16,345 in restricted funds that were dated and unlikely to be used for their original purpose.

**Note 8 – Information About Liquidity and Net Asset Availability**

At December 31, 2021 the Organization had financial assets available for the upcoming year, defined as the sum of the cash, marketable securities, and pledges receivable that total \$1,228,216 and current liabilities of \$19,669. There were no purpose-restricted net assets to which these funds were required to be applied.

The Organization prepares detailed budgets on an annual basis and monitors budget to actual variances on a consistent basis throughout the year such that operations can be adjusted to match any shortfalls in budgeted net revenue. Although the use of further credit resources is not expected within the next year, the Organization does have two credit cards with a combined total credit limit of \$31,000 and rates that range between approximately 14 – 19%. These resources could be used to augment liquidity if necessary, however they exist primarily to facilitate certain day-to-day purchase transactions without the use of formal purchase orders and paper checks.

**Note 9 – Commitments and Contingencies**

Lease

At December 31, 2021, the Organization had one lease for office space in Ventura, California. The lease had a monthly lease payment of \$975 and expired on January 1, 2022. As of November 23, 2022, the date of these financial statements, the Organization had a lease for office space that commenced on September 1, 2022 and extends through May 31, 2023 for \$1,100 per month. There is no provision in the agreement to extend the lease beyond that date.

**Note 10 – Subsequent Events**

The Organization has evaluated these December 31, 2021 financial statements for subsequent events through November 23, 2022 the day these financial statements were available to be issued. Management is not aware of any additional subsequent events that would require recognition or disclosure in them.

**Note 11 – New Accounting Standard**

Leases

In February 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases, amending Accounting Standards Codification (ASC) 842. This update requires lessees to recognize operating and financing lease liabilities and corresponding right-of-use assets on the statement of position. The new guidance is effective for the Organization's fiscal year beginning January 1, 2022. The Organization is currently evaluating the impact that this guidance will have on its financial statements.