

KEVIN E. FORDYCE, CPA



Financial Statements for the
Year Ended December 31, 2022



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Year Ended December 31, 2022

**CALIFORNIANS FOR POPULATION STABILIZATION, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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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" or "CAPS") which comprise the statement of financial position as of December 31, 2022, 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.

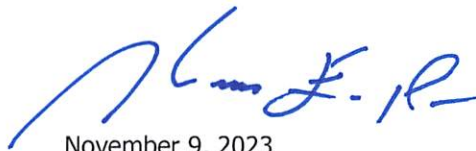
In performing an audit in accordance with GAAS, we:

- 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 2021 financial statements, and our report dated November 23, 2022, 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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



November 9, 2023
Glendale, California

CALIFORNIANS FOR POPULATION STABILIZATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Assets				
Cash	\$ 33,859	\$ -	\$ 33,859	\$ 210,058
Marketable Securities	887,107	-	887,107	1,008,783
Prepaid Expenses and Deposits	4,707	-	4,707	9,375
Interest in Charitable Remainder Trust	-	300,190	300,190	372,878
Equipment, Net	-	-	-	2,707
Total Assets	<u>\$ 925,673</u>	<u>\$ 300,190</u>	<u>\$ 1,225,863</u>	<u>\$ 1,603,801</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 24,605	\$ -	\$ 24,605	\$ 19,669
Loan	-	-	-	44,987
Total Liabilities	<u>24,605</u>	<u>-</u>	<u>24,605</u>	<u>64,656</u>
Net Assets				
Without Donor Restrictions	901,068	-	901,068	1,166,267
With Donor Restrictions	-	300,190	300,190	372,878
Total Net Assets	<u>901,068</u>	<u>300,190</u>	<u>1,201,258</u>	<u>1,539,145</u>
Total Liabilities and Net Assets	<u>\$ 925,673</u>	<u>\$ 300,190</u>	<u>\$ 1,225,863</u>	<u>\$ 1,603,801</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, 2022
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
<u>Support and Revenue</u>				
Contributions	\$ 140,849	\$ -	\$ 140,849	\$ 534,728
Government Grants	59,163	-	59,163	95,511
Change in Value of Charitable Remainder Trust	-	(72,688)	(72,688)	60,067
Interest and Dividend Income	9,706	-	9,706	10,768
(Loss)/Gain on Investments	(6,382)	-	(6,382)	7,422
Other Income	9	-	9	24
	<u>203,345</u>	<u>(72,688)</u>	<u>130,657</u>	<u>708,520</u>
<u>Expenses</u>				
Program Services	314,432	-	314,432	367,160
Supporting Services:				
Management and General	121,687	-	121,687	117,309
Fundraising	32,425	-	32,425	20,529
	<u>468,544</u>	<u>-</u>	<u>468,544</u>	<u>504,998</u>
(Decrease)/Increase in Net Assets	(265,199)	(72,688)	(337,887)	203,522
Net Assets at Beginning of Year	<u>1,166,267</u>	<u>372,878</u>	<u>1,539,145</u>	<u>1,335,623</u>
Net Assets at End of Year	<u>\$ 901,068</u>	<u>\$ 300,190</u>	<u>\$ 1,201,258</u>	<u>\$1,539,145</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, 2022
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Program Services	Management and General	Fundraising	Total	
				2022	2021
Salaries Wages and Benefits:					
Salaries and Wages	\$ 124,899	\$ 53,846	\$ 23,684	\$ 202,429	\$ 251,105
Payroll Taxes	11,954	5,153	2,267	19,374	20,367
Employee Benefits	9,139	3,940	1,733	14,812	14,219
Total Personnel Expenses	<u>145,992</u>	<u>62,939</u>	<u>27,684</u>	<u>236,615</u>	<u>285,691</u>
Other Operations:					
Advertising Campaigns and College Outreach	142,139	-	-	142,139	136,168
Professional Fees	-	40,116	-	40,116	31,251
Office Expenses	9,621	4,148	1,824	15,593	21,168
Rent and Facility Expense	7,851	3,385	1,489	12,725	11,800
Insurance	-	7,852	-	7,852	5,267
Telephone and Utilities	3,152	1,359	598	5,109	5,668
Office Supplies	1,769	762	335	2,866	1,454
Depreciation	1,670	720	317	2,707	3,857
Printing and Postage	781	336	148	1,265	1,337
Equipment Rental	1,296	-	-	1,296	1,203
Board Meetings and Travel	48	21	9	78	134
Internet and Web Presence	113	49	21	183	-
Total Other Operations	<u>168,440</u>	<u>58,748</u>	<u>4,741</u>	<u>231,929</u>	<u>219,307</u>
Total Expenses	<u>\$ 314,432</u>	<u>\$ 121,687</u>	<u>\$ 32,425</u>	<u>\$ 468,544</u>	<u>\$ 504,998</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, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (337,887)	\$ 203,522
Adjustment to Reconcile Change in Net Assets to Net Cash (Used In)/Provided By Operating Activities		
Forgiveness of PPP Loan	(44,987)	(43,175)
Depreciation	2,707	3,857
Change in Value of Interest in Charitable Remainder Trust	72,688	(60,067)
Realized and Unrealized Gain on Investments	6,382	(7,422)
Reinvested Dividends and Interest	(9,706)	(10,768)
Changes in:		
Prepaid Expenses and Deposits	4,668	(7,914)
Accounts Payable and Accrued Expenses	4,936	(12,151)
Net Cash (Used In)/Provided By Operating Activities	(301,199)	65,882
Cash Flows from Investing Activities:		
Purchase of Investments	(65,000)	(10,000)
Proceeds from Sale and Maturity of Investments	190,000	70,000
Net Cash Provided By Investing Activities	125,000	60,000
Cash Flows from Financing Activities:		
Proceeds from Government Paycheck Protection Program Loan	-	44,987
Net (Decrease)/Increase in Cash	(176,199)	170,869
Cash at Beginning of Year	210,058	39,189
Cash at End of Year	\$ 33,859	\$ 210,058

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

CALIFORNIANS FOR POPULATION STABILIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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/Environmental Impact Awareness Media Campaign

Throughout 2022, 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, blogs, 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.

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, 2022

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, 2022

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 approximately 53% of the non-governmental contributions for the year ended December 31, 2022.

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, 2022

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, 2022.

CALIFORNIANS FOR POPULATION STABILIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 2018.

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, 2022:

	Level I	Level II	Level III	Total
<u>Investments</u>				
Cash and Equivalents	\$ 387,436	\$ -	\$ -	\$ 387,436
Equities	56,208	-	-	56,208
Fixed Income Securities	206,275	237,188	-	443,463
Total Investments	649,919	237,188	-	887,107
<u>Interest In Trusts Held By Others</u>				
Interest in Charitable Remainder Trust	-	-	300,190	300,190
Total of Investments and Interest in Trusts Reported at Fair Value	\$ 649,919	\$ 237,188	\$ 300,190	\$ 1,187,297

The interest and dividends shown on the statement of activities of \$7,422 is reported net of 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, 2022:

Beginning Balance at December 31, 2021	\$ 372,878
Change in Estimated Fair Value of the Interest in Charitable Remainder Trust	(72,688)
Ending Balance at December 31, 2022	\$ 300,190

CALIFORNIANS FOR POPULATION STABILIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 4 – Interest in Charitable Remainder Trust

The Organization has a 1/7th 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, 2022 was a decrease in value of \$72,688

The total value of the unitrust at December 31, 2022 is \$2,825,251. The significant estimates in the calculation are as follows: Estimated remaining life of the beneficiary at December 31, 2022 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, 2022 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>(60,672)</u>
Property and Equipment, net	<u>\$ -</u>

Depreciation expense totaled \$2,707 for the year ended December 31, 2022.

Note 6 – Government Loans

In March 2021, management applied for a Second PPP loan in the amount of \$44,987. The loan carried a five-year term at 1% interest per annum, with payments scheduled to begin during the fiscal year ended Dec 31, 2023. The loan was forgiven in full in June 2022.

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, 2022, the only restricted net asset was the time-restriction of \$300,190 related to the interest in the charitable remainder trust discussed in Note 4.

CALIFORNIANS FOR POPULATION STABILIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 8 – Information About Liquidity and Net Asset Availability

At December 31, 2022 the Organization had financial assets available for the upcoming year, defined as the sum of the cash, marketable securities, that total \$920,966 and current liabilities of \$24,605. There were no purpose-restricted net assets to which these funds were required to be applied. The time-restricted interest in charitable remainder trust of \$300,190 is not expected to be collected for several years.

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, 2022, the Organization had one lease for office space in Ventura, California. The lease had a monthly lease payment of \$1,100 and per mutual agreement with the lessor, expired on April 30, 2023. The lease was not renewed.

Note 10 – Subsequent Events

In October 2023, the Boards of Directors of both CAPS and NumbersUSA Education & Research Foundation (“NumbersUSA”), a larger not-for-profit organization with a similar mission based in Arlington Virginia, agreed to merge operations by the end of 2023. All of CAPS’ assets and liabilities will be transferred to NumbersUSA, who will manage the combined entity henceforth.

The Organization has evaluated these December 31, 2022 financial statements for subsequent events through November 9, 2023 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.