

SOLUTIONS JOURNALISM NETWORK, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022

**SOLUTIONS JOURNALISM NETWORK, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Solutions Journalism Network, Inc.

### **Report on the Audit of the Financial Statements**

We have audited the financial statements of Solutions Journalism Network, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Solutions Journalism Network, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for each of 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' 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 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 these 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 the Organization's ability to continue as a going concern for 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
September 23, 2024



# SOLUTIONS JOURNALISM NETWORK, INC.

## Statements of Financial Position

	December 31,	
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,207,998	\$ 6,300,945
Contributions receivable, net	1,106,932	5,002,196
Investments	5,183,558	882,123
Prepaid expenses and other assets	72,574	125,238
Website costs, net	183,314	288,244
Security deposits	88,821	64,572
	<u>\$ 7,843,197</u>	<u>\$ 12,663,318</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 364,028	\$ 399,410
Grants payable	122,250	384,967
	<u>486,278</u>	<u>784,377</u>
Commitments (Note G)		
Net assets:		
Without donor restrictions	4,187,071	3,924,273
With donor restrictions	3,169,848	7,954,668
	<u>7,356,919</u>	<u>11,878,941</u>
	<u>\$ 7,843,197</u>	<u>\$ 12,663,318</u>

**SOLUTIONS JOURNALISM NETWORK, INC.**

**Statements of Activities**

	Year Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Contributions of financial assets:						
Organizations	\$ 701,604	\$ 3,860,570	\$ 4,562,174	\$ 920,719	\$ 6,799,735	\$ 7,720,454
Individuals	20,892	-	20,892	31,613	-	31,613
Special events	-	-	-	18,676	-	18,676
Program training revenue	126,037	-	126,037	274,460	-	274,460
Interest income	218,602	-	218,602	58,743	-	58,743
Other income	6,808	-	6,808	6,775	-	6,775
Total public support and revenue before net assets released from restrictions	<b>1,073,943</b>	<b>3,860,570</b>	<b>4,934,513</b>	1,310,986	6,799,735	8,110,721
Net assets released from restrictions	<b>8,645,390</b>	<b>(8,645,390)</b>	<b>-</b>	7,967,582	(7,967,582)	-
Total public support and revenue	<b>9,719,333</b>	<b>(4,784,820)</b>	<b>4,934,513</b>	9,278,568	(1,167,847)	8,110,721
<b>Expenses:</b>						
Program service:						
Systems change	<b>7,938,446</b>	-	<b>7,938,446</b>	9,188,399	-	9,188,399
Total program services	<b>7,938,446</b>	-	<b>7,938,446</b>	9,188,399	-	9,188,399
Supporting services:						
General and administrative	985,589	-	985,589	647,884	-	647,884
Fund-raising	532,500	-	532,500	278,950	-	278,950
Total supporting services	<b>1,518,089</b>	-	<b>1,518,089</b>	926,834	-	926,834
Total expenses	<b>9,456,535</b>	-	<b>9,456,535</b>	10,115,233	-	10,115,233
<b>Change in net assets</b>	<b>262,798</b>	<b>(4,784,820)</b>	<b>(4,522,022)</b>	(836,665)	(1,167,847)	(2,004,512)
Net assets, beginning of year	<b>3,924,273</b>	<b>7,954,668</b>	<b>11,878,941</b>	4,760,938	9,122,515	13,883,453
<b>Net assets, end of year</b>	<b>\$ 4,187,071</b>	<b>\$ 3,169,848</b>	<b>\$ 7,356,919</b>	\$ 3,924,273	\$ 7,954,668	\$ 11,878,941

See notes to financial statements.

## SOLUTIONS JOURNALISM NETWORK, INC.

### Statement of Functional Expenses

Year Ended December 31, 2023

(with summarized financial information for 2022)

	Program Expenses	Supporting Services			Total Expenses 2023	Total Expenses 2022
	Systems Change	General and Administrative	Fund-Raising	Total Supporting Services		
Salaries	\$ 3,067,916	\$ 585,095	\$ 413,457	\$ 998,552	\$ 4,066,468	\$ 4,215,983
Payroll taxes and fringe benefits	543,134	102,941	73,208	176,149	719,283	714,903
Total salaries, payroll taxes and fringe benefits	<b>3,611,050</b>	<b>688,036</b>	<b>486,665</b>	<b>1,174,701</b>	<b>4,785,751</b>	<b>4,930,886</b>
Newsroom grants and fees	1,342,860	-	-	-	1,342,860	2,062,610
Journalist grants and fees	338,250	-	-	-	338,250	161,500
Program consulting fees	1,547,612	-	-	-	1,547,612	1,487,813
Events and conferences	46,395	697	-	697	47,092	52,042
Occupancy	118,192	22,480	-	22,480	140,672	91,725
Office supplies	97,713	27,120	9,907	37,027	134,740	141,442
Website maintenance	154,803	29,266	-	29,266	184,069	229,270
Accounting and financial services	-	77,466	-	77,466	77,466	55,251
Audit and legal services	43,584	8,312	-	8,312	51,896	50,018
General management and fundraising consultants	-	30,664	3,450	34,114	34,114	164,702
Other professional fees	-	-	4,957	4,957	4,957	-
Insurance	19,143	3,651	-	3,651	22,794	25,615
Travel and lodging	407,709	42,016	25,923	67,939	475,648	432,101
Subscriptions, licenses and fees	13,753	7,973	1,063	9,036	22,789	18,466
Technology	68,959	23,504	535	24,039	92,998	96,757
Other expenses	2,355	361	-	361	2,716	6,339
Amortization	126,068	24,043	-	24,043	150,111	108,696
Total expenses	<b>\$ 7,938,446</b>	<b>\$ 985,589</b>	<b>\$ 532,500</b>	<b>\$ 1,518,089</b>	<b>\$ 9,456,535</b>	<b>\$ 10,115,233</b>

See notes to financial statements.

**SOLUTIONS JOURNALISM NETWORK, INC.**

**Statement of Functional Expenses  
Year Ended December 31, 2022**

	<b>Program Expenses</b>	<b>Supporting Services</b>			<b>Total Expenses</b>
	<b>Systems Change</b>	<b>General and Administrative</b>	<b>Fund-Raising</b>	<b>Total Supporting Services</b>	
Salaries and wages	\$ 3,751,428	\$ 258,041	\$ 206,514	\$ 464,555	\$ 4,215,983
Payroll taxes and employee benefits	637,100	42,731	35,072	77,803	714,903
<b>Total salaries, payroll taxes and fringe benefits</b>	<b>4,388,528</b>	<b>300,772</b>	<b>241,586</b>	<b>542,358</b>	<b>4,930,886</b>
Newsroom grants and fees	2,062,610	-	-	-	2,062,610
Journalist grants and fees	161,500	-	-	-	161,500
Program consulting fees	1,487,813	-	-	-	1,487,813
Events and conferences	51,165	876	-	876	52,041
Occupancy	84,570	7,155	-	7,155	91,725
Office supplies	104,184	32,886	4,371	37,257	141,441
Website maintenance	210,350	18,920	-	18,920	229,270
Accounting and financial services	-	55,251	-	55,251	55,251
Audit and legal services	46,243	3,774	-	3,774	50,017
General management and fundraising consultants	-	155,511	9,191	164,702	164,702
Insurance	23,617	1,998	-	1,998	25,615
Travel and lodging	366,640	42,867	22,593	65,460	432,100
Subscriptions, licenses and fees	10,131	7,305	1,030	8,335	18,466
Technology	86,448	10,283	26	10,309	96,757
Other expenses	4,383	1,808	153	1,961	6,344
Amortization	100,217	8,478	-	8,478	108,695
<b>Total expenses</b>	<b>\$ 9,188,399</b>	<b>\$ 647,884</b>	<b>\$ 278,950</b>	<b>\$ 926,834</b>	<b>\$ 10,115,233</b>

See notes to financial statements.



# SOLUTIONS JOURNALISM NETWORK, INC.

## Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (4,522,022)	\$ (2,004,512)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Amortization expense	150,111	108,695
Changes in:		
Contributions receivable, net	3,895,264	(133,928)
Prepaid expenses and other assets	52,664	(61,218)
Security deposits	(24,249)	(28,745)
Accounts payable and accrued expenses	(35,382)	260,039
Grants payable	(262,717)	(409,873)
	<u>(746,331)</u>	<u>(2,269,542)</u>
Net cash used in operating activities		
<b>Cash flows from investing activities:</b>		
Purchases of investments	(7,394,253)	-
Proceeds from sales of investments	3,092,818	1,746,861
Capitalized website costs	(45,181)	(225,004)
	<u>(4,346,616)</u>	<u>1,521,857</u>
Net cash (used in) provided by investing activities		
<b>Decrease in cash and cash equivalents</b>	<b>(5,092,947)</b>	<b>(747,685)</b>
Cash and cash equivalents, beginning of year	<u>6,300,945</u>	<u>7,048,630</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ <u>1,207,998</u></b>	<b>\$ <u>6,300,945</u></b>

See notes to financial statements.

# SOLUTIONS JOURNALISM NETWORK, INC.

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE A - THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] The Organization:

Solutions Journalism Network, Inc. (the "Organization"), incorporated in 2013 in Delaware, is a not-for-profit organization that works to spread the practice of "solutions journalism" – rigorous reporting about credible responses to social problems. The Organization's mission is to establish solutions journalism as a core function in journalism, conforming to the profession's highest standards of independence and accuracy. In keeping with journalism's historic responsibility to spotlight and contextualize significant activity in the public interest, solutions journalism will circulate reliable information about how society is confronting and adapting to major social, economic and environmental challenges. The Organization organizes its activities across the following key program areas. The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"), and from state and local taxes under comparable laws.

#### **Systems Change (formerly known as "Practice Change")**

The Organization supports entrepreneurial solutions journalism leaders, connects a network of solutions journalism learning, and amplifies and disseminates insights that emerge from solutions-focused journalism projects in order to drive a systemic change in the way journalism is practiced. The Organization identifies, engages, and supports solutions journalism innovators through its fellowships for individual journalists and through partnerships with institutions, often resulting in high-impact solutions-focused reporting projects. The Organization trains and certifies reporters, editors, educators, supporting both individuals and institutions to drive the spread of solutions journalism both by practicing it in their newsrooms and by training others. The Organization fosters emerging solutions journalism communities through a range of touchpoints such as peer networks, conferences and other convenings and a public directory to reinforce connections across knowledge and resources. In some cases, the Organization offers modest financial support for reporter time and travel, audience engagement activities or other high-value activities. In certain special cases that promise to generate great visibility, impact, and learning, the Organization invests in longer-term, higher impact newsroom projects. The Organization has created a core curriculum designed to introduce its distinctive approach to journalism professionals and students; and to further develop and strengthen the skills of those who already integrate solutions-oriented reporting into their work. The Organization provides an online suite of courses, the "Learning Lab," which is free to access. It includes core training in solutions journalism, as well as specialized guides for editors and reporters focusing on specific beats.

The Organization provides additional training guides and resources including video webinars on timely topics such as climate, democracy and youth mental health. These resources, in addition to a growing archive of thousands of model-solutions stories in the "Solutions Story Tracker," are intended to enhance the understanding and practice of solutions-journalism for reporters, editors and educators. Working with partners, the Organization is translating some of these resources into multiple languages, making them accessible to non-English-speaking constituents. The Organization also supports faculty in developing and sharing teaching materials based on solutions journalism stories in a range of disciplines. The Organization supports a targeted research and analysis service focused on identifying and interrogating what's working and what's not in a particular sector or field. It employs interviewing techniques drawn from the solutions journalism approach, but is not a work of journalism and is appropriately separated with a firewall from SJN's core journalism work. The findings may then be shared, as in the case of the Lab created "What's Working," a searchable portal that combines published solutions journalism and interviews with a wide array of leaders whose work was supported by a client to uncover insights that can help address social problems around the world.

#### [2] Basis of accounting:

The financial statements of the Organization have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

# SOLUTIONS JOURNALISM NETWORK, INC.

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE A - THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, public support and revenue, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates and assumptions.

#### [4] Cash and cash equivalents:

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

#### [5] Investments:

The Organization's investments in certificates of deposit are reported at their fair values in the statements of financial position as of year-end. Investments also include a money market fund which is considered held for investment.

The Organization's investments, in general, are subject to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost basis to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned. Investment fees are embedded in various investment transactions.

#### [6] Website costs:

Website costs related to application development, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to operation and support are expensed as incurred. The Organization capitalizes website costs that have a cost of \$1,000 or more and a useful life of greater than one year. Capitalized costs are amortized over a three-year expected life, using the straight-line method. At December 31, 2023 and 2022, capitalized website costs are presented net of accumulated amortization of \$657,321 and \$507,210, respectively.

#### [7] Grants and grant commitments:

Unconditional grants and awards made to others are recognized as expenses in the financial statements at the time of approval. Unconditional grants and awards approved, but not yet paid, are reported as grants payable in the statements of financial position at each year-end. Multi-year grants are reported at their present values, using an appropriate interest rate. Conditional grants and awards are not reported as expenses until the conditions or milestones are met by the intended recipients.

## SOLUTIONS JOURNALISM NETWORK, INC.

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE A - THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [8] Net assets:

###### (i) Net assets without donor restrictions:

The Organization's net assets without donor restrictions represent those resources that are available for current operations, as there are no restrictions by donors as to their use.

###### (ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specific period of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions."

##### [9] Revenue recognition:

###### (i) Contributions:

Contributions made to the Organization are recognized as revenue upon the receipt of cash, other assets, or of unconditional pledges. Contributions are reported as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. Conditional contributions are recorded when the conditions have been met by requisite actions of the Organization's management, or necessary events have taken place. Conditional contributions received in advance are recognized in the statements of financial position as funds received in advance.

###### (ii) Program training revenue:

Revenue from program training is recorded as revenue in the period that the services are rendered.

##### [10] Functional allocation of expenses:

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been allocated among program and supporting services based on the nature of the expense. Indirect costs have been allocated on the basis of time and effort. Costs that have been allocated include salaries and related payroll costs, occupancy, travel, office supplies, website maintenance, insurance and amortization expenses.

##### [11] Income taxes:

The Organization is subject to the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Organization's general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Organization's financial statements.

##### [12] Reclassifications:

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

## SOLUTIONS JOURNALISM NETWORK, INC.

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE A - THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [13] Subsequent events:

The Organization evaluated subsequent events through September 23, 2024, the date on which the financial statements were available to be issued.

#### NOTE B - CONTRIBUTIONS RECEIVABLE

At each year-end, contributions were due to be collected as follows:

The Organization periodically assesses the collectability of its contributions receivable using management's judgement of potential defaults, which considers factors such as prior collection history, type of contribution and the nature of fund-raising activity, and provides allowances for anticipated losses, if any, when necessary.

	December 31,	
	2023	2022
Less than one year	\$ 924,670	\$ 4,906,807
One to five years	198,958	100,000
	<b>1,123,628</b>	5,006,807
Reduction of pledges due in excess of one year to present value ranging from 4.48% to 4.73%	<b>(16,696)</b>	(4,611)
	<b>\$ 1,106,932</b>	<b>\$ 5,002,196</b>

#### NOTE C - INVESTMENTS

At each year-end, investments consisted of the following:

	December 31,			
	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Money market fund	\$ 4,276,383	\$ 4,276,383	\$ -	\$ -
Certificates of deposit	907,175	907,175	882,123	882,123
	<b>\$ 5,183,558</b>	<b>\$ 5,183,558</b>	<b>\$ 882,123</b>	<b>\$ 882,123</b>

## SOLUTIONS JOURNALISM NETWORK, INC.

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE C - INVESTMENTS (CONTINUED)

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

Level 2: Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for those investments, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable on the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

The available market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following tables summarize the fair values of the Organization's investments at each year-end, in accordance with the FASB's ASC Topic 820 valuation levels:

	December 31,					
	2023			2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Money market fund	\$ 4,276,383	\$ -	\$ 4,276,383	\$ -	\$ -	\$ -
Certificates of deposit	-	907,175	907,175	-	882,123	882,123
	<u>\$ 4,276,383</u>	<u>\$ 907,175</u>	<u>\$ 5,183,558</u>	<u>\$ -</u>	<u>\$ 882,123</u>	<u>\$ 882,123</u>

#### NOTE D - GRANTS PAYABLE AND CONDITIONAL GRANTS

As of December 31, 2023 and 2022, grants payable were \$122,250 and \$384,967, respectively. The full balance at each year-end is expected to be fully paid in the subsequent year. In addition, as of December 31, 2022, the Organization had committed to \$340,070 of grants for which the respective conditions had not yet been satisfied by the intended recipients and, accordingly, under U.S. GAAP could not be recorded as liabilities. During 2023 the recipients satisfied the conditions and the amounts were recorded as expenses and fully paid during 2023. There were no conditional grants as of December 31, 2023.

#### NOTE E - BANK LINE OF CREDIT

The Organization has a line of credit with a bank for \$750,000, that was set to expire in September 2023. During 2023, the line was renewed and it now expires in June 2025. The line of credit is collateralized by the Organization's cash, cash equivalents, and investments. There were no drawdowns on the line of credit during 2023 or 2022. The line of credit bears an interest rate of the Secured Overnight Financing Rate ("SOFR") plus the applicable margin rate of 4.275%.

## SOLUTIONS JOURNALISM NETWORK, INC.

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions consisted of the following:

	December 31,	
	2023	2022
Restricted for future periods	<u>\$ 366,666</u>	<u>\$ 200,000</u>
Purpose-restricted:		
Systems change (formerly Practice Change/Knowledge Dissemination)	<u>2,693,990</u>	<u>5,840,593</u>
Infrastructure	<u>109,192</u>	<u>1,914,075</u>
Total purpose restrictions	<u>2,803,182</u>	<u>7,754,668</u>
Total	<u>\$ 3,169,848</u>	<u>\$ 7,954,668</u>

During each year, net assets released from restrictions resulted from satisfying the following donor restrictions:

	December 31,	
	2023	2022
Time restrictions satisfied	<u>\$ 233,334</u>	<u>\$ 600,000</u>
Purpose restrictions satisfied:		
Systems change (formerly Practice Change/Knowledge Dissemination)	<u>6,607,173</u>	<u>6,472,096</u>
Infrastructure	<u>1,804,883</u>	<u>895,486</u>
Total purpose restrictions satisfied	<u>8,412,056</u>	<u>7,367,582</u>
Total	<u>\$ 8,645,390</u>	<u>\$ 7,967,582</u>

#### NOTE G - COMMITMENTS

##### [1] Lease commitment:

During 2022, the Organization entered into a short-term lease agreement for office space, renewable every five months. As of December 31, 2022, the Organization was committed to a lease that ends in May 2023, for which monthly rent payments are \$9,394. In February 2023, the Organization signed a new agreement that commenced on June 1, 2023 and terminates May 31, 2024, for which monthly rent payments are \$10,178.

##### [2] Other contracts:

In the normal course of its business, the Organization enters into various contracts and agreements for professional and other services, all of which are typically renewable on a year-to-year basis.

#### NOTE H - CONCENTRATION OF REVENUE

Approximately 56% and 33% of the Organization's contribution revenue was provided by four donors in 2023 and one donor in 2022, respectively.

## SOLUTIONS JOURNALISM NETWORK, INC.

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE I - CONCENTRATION OF CREDIT RISK

The Organization deposits cash in a financial institution which, at times, may exceed federally insured limits. The Organization's cash is held in a major institution, and management believes that there is no significant risk of loss by reason of the institution's failure. Management monitors the risk associated with concentrations on an ongoing basis.

#### NOTE J - RELATED PARTY TRANSACTIONS

During the year-end December 31, 2022, the Organization entered into a licensing agreement, totaling \$150,000, with a company owned by a Board member. The Organization believes this transaction was conducted at arms-length. There were no such transactions during 2023.

#### NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of each year-end available for general expenditures (which includes scheduled grant payments) within one year of the statements of financial position date:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	<b>\$ 1,207,998</b>	\$ 6,300,945
Contributions receivable, net	<b>1,106,932</b>	5,002,196
Investments	<b>5,183,558</b>	882,123
	<b>7,498,488</b>	12,185,264
Total financial assets available within one year		
Less:		
Amounts unavailable for general expenditure within one year, due to:		
Restricted by donors for:		
Time restrictions	<b>(366,666)</b>	(200,000)
Purpose restrictions	<b>(2,803,182)</b>	(7,754,668)
Total amounts unavailable for general expenditure within one year	<b>(3,169,848)</b>	(7,954,668)
Total financial assets available to meet cash needs for general expenditures within one year	<b>\$ 4,328,640</b>	\$ 4,230,596

#### Liquidity policy:

As part of the Organization's liquidity management, it maintains a sufficient level of operating cash to be available as its general expenditures, grants, liabilities, and other obligations come due. As disclosed in Note E, the Organization has access to a line of credit which is available for short-term liquidity needs.