

INSTITUTE FOR NONPROFIT NEWS

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

INSTITUTE FOR NONPROFIT NEWS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Institute for Nonprofit News

Opinion

We have audited the accompanying financial statements of Institute for Nonprofit News (“INN”) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and statement of functional expenses 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 Institute for Nonprofit News as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of INN 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 INN’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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Douglas & Bhagat CPA Services, Inc.

Thousand Oaks, California

January 15, 2026

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,383,804
Accounts receivable	2,332,714
Prepaid expenses	183,922
Total current assets	6,900,440

Restricted deposits: Fiscal Sponsorship	1,788,935
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Equipment and furnishings, net of accumulated depreciation of \$21,126	3,781
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Other assets:

Intangible assets, net	11,247
Total other assets	11,247

Total assets	\$ 8,704,403
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 1,761,796
Accounts payable - Fiscal Sponsorship	114,891
Deferred revenue	108,208
Total current liabilities	1,984,895

Net assets:

Without donor restrictions	
Undesignated	1,558,458
Board-designated operating reserve	1,851,419
Total without donor restrictions	3,409,877

With donor restrictions	3,309,631
Total net assets	6,719,508

Total liabilities and net assets	\$ 8,704,403
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See accompanying auditors' report and notes to financial statements.

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

CHANGES IN ASSETS WITHOUT DONOR RESTRICTIONS:

Grants and contributions	\$ 1,895,715
Membership dues and program service fees	222,286
Investment return	182,570
Other income	587,988
Total public support, revenue and reclassifications without donor restrictions	2,888,559
Net assets released from restrictions - satisfaction of program restriction	12,437,749
Total public support, revenue and reclassifications	15,326,308
 Program expenses	 11,482,989
Supporting services	
Management and general	611,829
Fund-raising	385,474
Total supporting services	997,303
Total expenses before Fiscal Sponsorship expenses	12,480,292
 Fiscal Sponsorship Expenses	 3,182,921
Total expenses	15,663,213
Increase (decrease) in net assets without donor restrictions	(336,905)

CHANGES IN ASSETS WITH DONOR RESTRICTIONS:

Grants and contributions	9,326,380
Fiscal sponsorship grants and contributions	3,379,941
Funds released to separated Fiscally Sponsored Organizations	(497,584)
Net assets released from restrictions	(9,254,828)
Net assets released from restrictions - Fiscal Sponsorship	(2,685,337)
Increase (decrease) in net assets with donor restrictions	268,572
 Increase (decrease) in total net assets	 (68,333)
 Net assets - beginning of year	 6,787,841
 Net assets - end of year	 \$ 6,719,508

See accompanying auditors' report and notes to financial statements.

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets \$ (68,333)

Adjustments to reconcile change in net assets to
net cash provided by (used in) operating activities:

Depreciation and amortization 18,613

Change in operating assets and liabilities

(Increase) decrease in accounts receivable (2,273,769)

(Increase) decrease in prepaid expenses (6,745)

Increase (decrease) in accounts payable 1,350,617

Increase (decrease) in deferred income (100,761)

Net cash provided by (used in) operating activities (1,080,378)

CASH FLOWS FROM INVESTING ACTIVITIES:

Decrease in deposits restricted for fiscal programs (183,101)

Net cash provided by (used in) investing activities (183,101)

Total increase/(decrease) in cash (1,263,479)

Cash and cash equivalents at beginning of year 5,647,283

Cash and cash equivalents at end of year \$ 4,383,804

Supplemental information:

Income taxes paid \$ 0

Interest paid \$ 0

See accompanying auditors' report and notes to financial statements.

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Supporting Services			Total Expenses
	Program Services	Management & General	Fundraising	2024
Salaries and related expenses	\$ 2,253,601	\$ 293,688	\$ 263,915	\$ 2,811,204
Support to Members	6,879,161	0	0	6,879,161
Support to Nonmembers	139,050	0	0	139,050
Professional fees	993,346	72,709	16,506	1,082,561
Printing and postage	15,333	1,023	985	17,341
Travel and conference	176,302	28,081	13,734	218,117
Dues, licenses & education	83,646	3,810	7,484	94,940
Telephone	8,773	2,090	869	11,732
Rent	0	1,370	0	1,370
Insurance	0	13,321	0	13,321
Banking/Merchant Fees	16,155	2,622	1,160	19,937
Office expense	1,628	3,137	63	4,828
Employee benefits and payroll expenses	453,994	57,452	53,296	564,742
Technology expenses	119,121	90,123	6,478	215,722
Marketing	39,400	1,025	823	41,248
Conferences and meetings	284,007	31,519	17,842	333,368
Meals and entertainment	5,136	6,793	1,107	13,036
Total expenses before depreciation & amortization	11,468,653	608,763	384,262	12,461,678
Depreciation and amortization	14,336	3,066	1,212	18,614
Total expenses	<u>\$ 11,482,989</u>	<u>\$ 611,829</u>	<u>\$ 385,474</u>	<u>\$ 12,480,292</u>

See accompanying auditors' report and notes to financial statements.

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF ORGANIZATION:

INN was organized to help nonprofit news organizations produce and distribute stories with impact; to achieve cost efficiencies by pooling resources and services, and to develop new revenue streams that will help member organizations become sustainable businesses.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

In accordance with GAAP, contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of the transaction. Time-restricted contributions are temporary in nature; therefore, they are reported as net assets with donor restrictions and are then reclassified to be net assets without donor restriction upon expiration of the time restriction. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled, or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts. As of December 31, 2024 INN has cash equivalents of \$3,343,127.

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES: (Continued)

Equipment and Furnishings

All acquisitions of equipment and furnishings in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Purchased equipment and furnishings are stated at cost. Depreciation is computed using the straight-line method over their estimated useful lives.

Expenditures for maintenance and repairs are charged directly to the appropriate operating account at the time the expense is incurred. Expenditures determined to represent additions and betterments are capitalized.

Intangible Assets

Intangible assets are amortized over their estimated useful lives and are reviewed for impairment. The assets are carried at cost, less accumulated amortization. For the year ending December 31, 2024, there was no impairment of intangible assets. The net balance of the intangible asset as of December 31, 2024 is \$11,247.

Contributed Services

No amounts have been reflected in the financial statements for contributed services. INN generally pays for services requiring specific expertise.

Revenue Recognition

INN recognizes revenue from membership dues which are nonrefundable and comprise an exchange element based on the value of benefits provided over the membership period (which is normally one year from date the membership is due). Membership fees related to the exchange element of the transaction that carry member benefits which can be utilized in future periods have been recorded as deferred revenue in the statements of financial position.

Income Taxes

INN is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Internal Revenue Service has determined that INN is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2024. At December 31, 2024 the Organization's information returns generally remain open for the three preceding years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities (e.g., the fair value of financial instruments, potential impairments to fixed assets and accrued expenses) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES: (Continued)

Fiscal Sponsorships

INN effects change not only through the direct impact of its own programs but also by supporting members who have yet to receive their exempt status. One of the ways that INN does this is by becoming a fiscal sponsor to independent projects to further their mission. As a fiscal sponsor, INN receives donations and provides organization infrastructure, legal and tax-exempt status for the projects for a small fee. The funds received for the projects are restricted and held in a separate bank account. In 2024, INN is a fiscal sponsor for twenty-nine projects.

During 2024, six of INN's fiscally sponsored organizations received their 501(c)(3) determination from the Internal Revenue Service and subsequently ended their fiscal sponsorship relationship with INN. As a result, INN disbursed remaining held funds to the organizations in accordance with their separation agreements for nine of the organizations. The total funds released to separated fiscally sponsored organizations consist of the following at December 31:

	2024
Feet in 2 Worlds	\$ 111,583
Hudson Valley	6,515
Open Campus Media	206,677
Public Square Amplified	145,184
Solitary Watch	10,273
The Dial	9,136
Prior Seperated Organizations	8,216
Total funds released to separated Fiscally Sponsored Organizations	\$ 497,584

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

In its normal course of business, INN deposits cash with financial institutions which are insured by the Federal Deposit Insurance Corporation. The balance in these accounts will, at times, exceed the insurance limitation. It is Management's policy to review on an ongoing basis the financial condition of the financial institutions in which funds are deposited. At December 31, 2024, the Company had \$5,445,249 that exceeds amounts covered by insurance. Management believes that there is no significant risk with respect to such deposits.

NOTE 3 - ACCOUNTS RECEIVABLE:

Accounts receivable are due and receivable in less than one year.

NOTE 4 – FIXED ASSETS:

Fixed assets consist of the following at December 31:

	Estimated Useful Lives	2024
Equipment & furnishings	5-7 Years	\$ 24,906
Less: Accumulated Depreciation		(21,125)
		\$ 3,781

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 - ACCOUNTS PAYABLE:

Accounts payable consists of normal operating expenses of INN that occurred prior to December 31, 2024; there were no unusual items accrued.

NOTE 6 - DEFERRED REVENUES:

Income from membership dues are deferred and recognized over the period to which it relates. Deferred revenue from membership dues for the year ended December 31, 2024, are \$108,208.

NOTE 7 – 404 (K) PENSION PLAN:

INN through its professional employer organization, Justworks, offers a 401(K) plan to all full-time employees after three months of employment. INN contributes 3% of their gross salary, no voluntary contributions by the employee are required for participation. For the year ended December 31, 2024, the retirement plan expenses were \$81,805.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes and periods:

	2024
INN - Purpose and time restriction	
Purpose restriction:	
Assist with training, DEI and Member Nework Growth	\$ 649,260
Columbia Journalism grads intern program	100,958
GNI Support for member audience growth	11,510
GNI Cohort Labs for members	80,000
Major gifts coaching program	73,730
NewsMatch program	60,951
Rural News Network support	75,000
Total INN Purpose	1,051,409
Cash Reserve	250,000
Fiscal Sponsorship	2,008,222
Net assets with donor restrictions	\$ 3,309,631

NOTE 9 - FISCAL SPONSORSHIPS:

In 2024, INN was a fiscal sponsor for the following projects:

- Breckenridge Texan is a nonprofit community news website dedicated to providing accurate, high-quality, current, local journalism to the residents of Breckenridge, Texas and the surrounding area.
- Cecil Public Media’s mission is to actively promote civic engagement through education and development of community media throughout Cecil County, Maryland.

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 - FISCAL SPONSORSHIPS: (Continued)

- The Dial is a digital magazine devoted to international English-language reporting on the trends towards authoritarianism around the world. Topics covered will include populism, income equality and institutional decay.
- Feet in 2 Worlds is a journalism training organization and news outlet for immigrant voices dedicated to addressing the historic underrepresentation of immigrants and people of color in the news media.
- The Jefferson County Beacon’s mission is to help Jefferson County, WA, stay informed with stories of local significance while amplifying culture and strengthening community resilience.
- GifaFact Foundation writes and distributes “fact briefs” via social media, responding to online claims with timely and trusted information.
- Hudson Valley Pilot is a vital news organization serving Rhinebeck and neighboring towns providing unbiased, fact-based reporting and analysis about the local governments, schools, businesses, arts and community affairs.
- The Kansas City Defender’s mission is to cover Black issues, news and voices in the Kansas City region including students covering the community.
- Local Standard, a news organization devoted to bringing NYC neighborhoods local news, information, and accountability journalism.
- Through the publication of Los Angeles Public Press, the Foundation for Los Angeles Journalism’s aim is to democratize the news in Los Angeles County to resonate with all Angelenos. Topics covered include homelessness and housing, environment and pollution, public safety and justice.
- Mineral Wells Area News provides accurate, current high-quality, local journalism to the residents of Mineral Wells, Texas.
- The Objective is a collective of reporters covering marginalized communities to make newsrooms more open to people from those communities.
- Open Campus Media, a nonpartisan news organization covering higher education for the public.
- The Overlook is a reader-supported nonprofit newspaper addressing issues pertinent to the Catskill region of New York State communities embracing qualities that include clarity, integrity and accuracy.
- PassBlue is an award-winning, independent, women-led nonprofit news company that closely covers the US-UN relationship, women’s issues, human rights, peacekeeping and other urgent global matters playing out in the world body.
- Plateau Daily News strives to be the number one online-source of information in the Highlands/Cashiers area of North Carolina, with a dedication to public service.

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 - FISCAL SPONSORSHIPS: (Continued)

- Providence Eye (PVDEye) is a nonprofit journalism initiative devoted to informing and empowering the public about events and issues of concern to residents and visitors of Providence, Rhode Island
- Public Road Productions through their Arm and a Leg Podcast, combines journalistic rigor to deliver big-picture insights, practical tools and memorable stories around the states of America's healthcare system.
- Public Square Amplified is a cooperative newsroom creating a space for local journalists of color to represent their geographic and ethnic communities in Newark, New Jersey, reporting on democracy, social and economic justice, racial equity and the immigrant experience.
- Riverside Record is a hyperlocal newsroom covering California's Riverside County.
- Shasta Scout is an independent civic news media organization dedicated to telling the diverse and investigative stories of Shasta County, California.
- Solitary Watch is a watchdog project that investigates, documents, and disseminates information on the widespread use of solitary confinement out of the shadows and into the light of the public square. Their mission is to provide the public - as well as practicing attorneys, legal scholars, law enforcement and corrections officers, policymakers, educators, advocates, people in prison and their families - with the first centralized source of unfolding news, original reporting, firsthand accounts, and background research on solitary confinement in the United States
- TOTIM empowers independent, visual storytellers to reveal untold narratives with integrity, depth and empathy.
- True Speech, an independent, nonpartisan organization, provides voters with objective, timely, and comprehensive fact-checks of advertisements and statements from candidates, elected officials and third parties.
- Truth Has a Voice Foundation's Ark Valley Voice is a digital newsroom in central Colorado and covers local and state news around government, housing, education, economic development and the environment.
- Unsettled is a trusted source of news and analysis that deepens the conversations through podcast about Israel-Palestine and the Jewish diaspora that brings thoroughly reported, intimate and sound-rich stories.
- Voices of Monterey Bay is a bilingual news organization serving Monterey and Santa Cruz counties (California). It was launched in 2017 by veteran local journalists who believe the region needs a new journalist vision, while providing a central location for people to express themselves or to report news from their neighborhoods.
- VoxPopuli provides well-researched, reliable reporting that makes government more transparent, holds local public servants accountable and covers the communities that legacy media typically overlook.

INSTITUTE FOR NONPROFIT NEWS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 - FISCAL SPONSORSHIPS: (Continued)

- Winchester News Group is a local independent non-profit news source covering Winchester, Massachusetts, government and community with a vision of increasing civic participation and improving civil discourse.

NOTE 10 - LIQUIDITY AND AVAILABILITY:

INN strives to maintain liquid financial assets sufficient to cover 90 days of general expenses. Amounts in excess of operations liquidity needs are invested in various highly liquid saving and money market accounts.

Additionally, INN considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The governing Board's designated operating reserves are also available for general expenditure.

The Financial assets that are available for general expenditures within one year of the financial statements of financial position comprise the following:

	<u>2024</u>
Cash, cash equivalents, and restricted cash	<u>\$ 4,383,804</u>
Accounts receivable	<u>2,332,714</u>
	<u><u>\$ 6,716,518</u></u>

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 15, 2026, the date the financial statements were available to be issued.