INSTITUTE FOR NONPROFIT NEWS

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025, and the related statement 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, 2025, 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
July 27, 2026

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

Current assets:	
Cash and cash equivalents	$ 3,653,144
Accounts receivable	457,946
Prepaid expenses	129,906
Total current assets	4,240,996
Investments - Certificates of Deposit	1,664,978
Restricted deposits: Fiscal Sponsorship	1,647,277
Equipment and furnishings, net of accumulated depreciation of $21,083	311
Other assets:	
Intangible assets, net	6,663
Total other assets	6,663
Total assets	$ 7,560,225

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 155,291
Accounts payable - Fiscal Sponsorship	90,957
Deferred revenue	120,837
Total current liabilities	367,085
Net assets:	
Without donor restrictions	
Undesignated	1,249,556
Board-designated operating reserve	1,851,419
Total without donor restrictions	3,100,975
With donor restrictions	4,092,165
Total net assets	7,193,140
Total liabilities and net assets	$ 7,560,225

See accompanying auditors' report and notes to financial statements.

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

CHANGES IN ASSETS WITHOUT DONOR RESTRICTIONS:	
Grants and contributions	$ 2,576,587
Membership dues and program service fees	265,916
Investment return	158,501
Loss on Disposal of Assets	(982)
Other income	540,139
Total public support, revenue and reclassifications without donor restrictions	3,540,161
Net assets released from restrictions - satisfaction of program restriction	5,557,359
Total public support, revenue and reclassifications	9,097,520
Program expenses	5,484,674
Supporting services	
Management and general	836,892
Fundraising	464,868
Total supporting services	1,301,760
Total expenses before Fiscal Sponsorship expenses	6,786,434
Fiscal Sponsorship Expenses	2,619,988
Total expenses	9,406,422
Increase (decrease) in net assets without donor restrictions	(308,902)
CHANGES IN ASSETS WITH DONOR RESTRICTIONS:	
Grants and contributions	4,135,287
Fiscal sponsorship grants and contributions	2,204,606
Funds released to separated Fiscally Sponsored Organizations	(843,176)
Net assets released from restrictions	(2,937,371)
Net assets released from restrictions - Fiscal Sponsorship	(1,776,812)
Increase (decrease) in net assets with donor restrictions	782,534
Increase (decrease) in total net assets	473,632
Net assets - beginning of year	6,719,508
Net assets - end of year	$ 7,193,140

See accompanying auditors' report and notes to financial statements.

INSTITUTE FOR NONPROFIT NEWS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 473,632
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Realized (gains) or losses on property and equipment	982
Depreciation and amortization	7,072
Change in operating assets and liabilities	
(Increase) decrease in accounts receivable	1,874,768
(Increase) decrease in prepaid expenses	54,016
Increase (decrease) in accounts payable	(1,630,439)
Increase (decrease) in deferred income	12,629
Net cash provided by (used in) operating activities	792,660
CASH FLOWS FROM INVESTING ACTIVITIES:	
Decrease in deposits restricted for fiscal programs	141,658
Purchase of Investments - Certificates of Deposit	(1,664,978)
Net cash provided by (used in) investing activities	(1,523,320)
Total increase/(decrease) in cash	(730,660)
Cash and cash equivalents at beginning of year	4,383,804
Cash and cash equivalents at end of year	$ 3,653,144

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, 2025

		Supporting Services		Total Expenses
	Program Services	Management & General	Fundraising	2025
Salaries and related expenses	$ 2,160,455	$ 439,141	$ 326,988	$ 2,926,584
Support to Members	604,214	6,000	0	610,214
Support to Nonmembers	440,000	0	0	440,000
Professional fees	955,566	83,744	16,631	1,055,941
Printing and postage	13,884	822	728	15,434
Travel and conference	138,911	62,952	21,453	223,316
Dues, licenses & education	74,032	1,194	9,404	84,630
Telephone	8,396	3,110	1,021	12,527
Rent	0	1,164	0	1,164
Insurance	0	17,502	0	17,502
Banking/Merchant Fees	14,897	2,705	1,862	19,464
Office expense	4,239	3,088	0	7,327
Employee benefits and payroll expenses	531,126	97,678	76,039	704,843
Technology expenses	150,851	100,224	420	251,495
Marketing	27,832	912	455	29,199
Conferences and meetings	347,665	13,748	8,550	369,963
Meals and entertainment	6,499	2,070	1,190	9,759
Total expenses before depreciation & amortization	5,478,567	836,054	464,741	6,779,362
Depreciation and amortization	6,107	838	127	7,072
Total expenses	$ 5,484,674	$ 836,892	$ 464,868	$ 6,786,434

See accompanying auditors' report and notes to financial statements.

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 90 days or less. Fair value approximates carrying amounts. As of December 31, 2025 INN has cash equivalents of $2,811,499.

Investments – Certificates of Deposit

Investments consist of certificates of deposit accounts with original maturity of more than 90 days.

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, 2025, there was no impairment of intangible assets. The net balance of the intangible asset as of December 31, 2025 is $6,663.

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, 2025. At December 31, 2025 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.

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 2025, INN is a fiscal sponsor for twenty-seven projects.

During 2025, seven 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 seven of the organizations. The total funds released to separated fiscally sponsored organizations consist of the following at December 31:

Feet in 2 Worlds	$ 127,406
Community Capital Fund (KC Defender)	121,087
Foundation for Los Angeles Journalism	110,838
GigaFact	299,428
Providence Eye	126,689
Truth Has a Voice	2,309
Winchester News Group	54,214
Prior Separated Organizations	1,205
Total funds released to separated Fiscally Sponsored Organizations	$ 843,176

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, 2025, the Organization had $6,443,198 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	2025
Equipment & furnishings	5-7 Years	$ 21,394
Less: Accumulated Depreciation		(21,083)
		$ 311

NOTE 5 - ACCOUNTS PAYABLE:

Accounts payable consists of normal operating expenses of INN that occurred prior to December 31, 2025; 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, 2025, are $120,837.

NOTE 7 – 401 (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, 2025, the retirement plan expenses were $85,473.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:

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

	2025
INN - Purpose and time restriction	
Purpose restriction:	
Assist with training, DEI and Member Network Growth	$ 382,345
Columbia Journalism grads intern program	22,660
GNI Local News Natural Disaster Relief Fund	400,000
GNI Audience Development for Long Term Sustainability	123,074
Major gifts coaching program	76,246
Rural News Network support	245,000
Total INN Purpose	1,249,325
Time restricted	1,000,000
Total INN Purpose and time restriction	2,249,325
Cash Reserve	250,000
Fiscal Sponsorship	1,592,840
Net assets with donor restrictions	$ 4,092,165

NOTE 9 - FISCAL SPONSORSHIPS:

In 2025, 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.

NOTE 9 - FISCAL SPONSORSHIPS: (Continued)

- CapeCodNews.org reports for and about Cape Cod's diverse full-time communities and their seasonal visitors. Its reporting covers local topics and digs deeply into the creative economy, climate change and coastal life shaping Cape Cod.
- Cecil Public Media promotes civic engagement through education and development of community media throughout Cecil County, Maryland.
- The Dial is a digital magazine devoted to international English-language reporting on the trends towards authoritarianism around the world covering topics that include populism, income inequality 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.
- Foundation for Los Angeles Journalism's Los Angeles Public Press is an independent nonprofit newsroom that works to democratize the news in Los Angeles County, so it resonates with all Angelenos. Coverage topics include homelessness and housing, environment and pollution, public safety and justice.
- GigaFact Foundation writes and distributes "fact briefs" via social media, responding to online claims with timely and trusted information.
- HomeFront Productions helps families thrive through solutions-focused video journalism that tells stories that matter to them and raises awareness about the challenges and opportunities shaping the health and well-being of America's diverse, multigenerational families.
- The Jefferson County Beacon helps Jefferson County, Washington, stay informed with stories of local significance while amplifying culture and strengthening community resilience.
- The Kansas City Defender covers Black issues, news and voices in the Kansas City region including students covering the community.
- Local Standard, a news organization devoted to bringing New York City neighborhoods local news, information, and accountability journalism.
- 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.
- The Overlook is a reader-supported nonprofit newspaper addressing issues pertinent to the Catskill region of New York with 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.

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 produces the podcast "An Arm and a Leg," which combines journalistic rigor with big-picture insights, practical tools and memorable stories about the state of America's health care system.
- RE:Public Lands Media is a nonprofit, nonpartisan newsroom dedicated solely to covering the policies, people and forces shaping the future of America's public lands. Through investigative reporting, data-driven storytelling and partnerships with major media outlets, it gives the public the knowledge it needs to protect this shared heritage.
- 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.
- 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 brings a new journalistic vision to the region while providing a central place for people to express themselves and 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.
- 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 statements of financial position comprise the following:

	2025
Cash, cash equivalents, and restricted cash	$ 3,653,144
Accounts receivable	457,946
	$ 4,111,090

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 27, 2026, the date the financial statements were available to be issued.