



FREE PRESS AND FREE PRESS ACTION FUND

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2023





FREE PRESS AND FREE PRESS ACTION FUND

COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Boards of Directors
Free Press and Free Press Action Fund

Opinion

We have audited the accompanying combined financial statements of Free Press and Free Press Action Fund (the Organizations), which comprise the combined statements of financial position as of December 31, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Free Press and Free Press Action Fund as of December 31, 2023 and 2022, and the combined changes in their net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

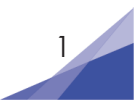
Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Free Press and Free Press Action Fund 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Free Press and Free Press Action Fund's ability to continue as going concerns within one year after the date that the combined financial statements are available to be issued.





Auditor's Responsibility for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 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 combined 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 combined 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 Free Press and Free Press Action Fund'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 Free Press and Free Press Action Fund'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 Combining Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 18 through 21 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities, and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Calibre CPA Group, PLLC

Bethesda, MD
March 8, 2024



FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Assets		
Cash and cash equivalents	\$ 765,565	\$ 2,288,148
Investments	5,761,396	3,392,081
Contributions receivable	7,180,425	4,695,726
Other receivables	13,862	384,098
Prepaid expenses	89,094	96,635
Property and equipment, net	35,193	2,581
Right-of-use asset - operating lease	432,212	596,059
Security deposit	<u>12,881</u>	<u>12,881</u>
Total assets	<u>\$ 14,290,628</u>	<u>\$ 11,468,209</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 215,667	\$ 94,804
Operating lease liability	503,679	679,615
Accrued vacation	<u>303,805</u>	<u>231,280</u>
Total liabilities	<u>1,023,151</u>	<u>1,005,699</u>
Net assets		
Without donor restrictions		
Undesignated	4,109,477	1,495,992
Board designated - Operating reserve	2,600,000	1,950,000
Board designated - Program reserve	<u>1,000,000</u>	<u>1,000,000</u>
Total without donor restrictions	7,709,477	4,445,992
With donor restrictions	<u>5,558,000</u>	<u>6,016,518</u>
Total net assets	<u>13,267,477</u>	<u>10,462,510</u>
Total liabilities and net assets	<u>\$ 14,290,628</u>	<u>\$ 11,468,209</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions						
Membership	\$ 89,205	\$ -	\$ 89,205	\$ 99,159	\$ -	\$ 99,159
Other	6,957,873	2,730,000	9,687,873	3,209,512	7,540,000	10,749,512
Investment income	310,913	-	310,913	38,022	-	38,022
Other income	96,362	-	96,362	59,255	-	59,255
Net assets released from restrictions	<u>3,188,518</u>	<u>(3,188,518)</u>	<u>-</u>	<u>2,721,482</u>	<u>(2,721,482)</u>	<u>-</u>
Total support and revenue	<u>10,642,871</u>	<u>(458,518)</u>	<u>10,184,353</u>	<u>6,127,430</u>	<u>4,818,518</u>	<u>10,945,948</u>
Expenses						
Program services	6,373,275	-	6,373,275	4,980,684	-	4,980,684
Management and general	279,770	-	279,770	268,552	-	268,552
Fund raising	<u>726,341</u>	<u>-</u>	<u>726,341</u>	<u>599,531</u>	<u>-</u>	<u>599,531</u>
Total expenses	<u>7,379,386</u>	<u>-</u>	<u>7,379,386</u>	<u>5,848,767</u>	<u>-</u>	<u>5,848,767</u>
Change in net assets	3,263,485	(458,518)	2,804,967	278,663	4,818,518	5,097,181
Net assets						
Beginning of year	<u>4,445,992</u>	<u>6,016,518</u>	<u>10,462,510</u>	<u>4,167,329</u>	<u>1,198,000</u>	<u>5,365,329</u>
End of year	<u>\$ 7,709,477</u>	<u>\$ 5,558,000</u>	<u>\$ 13,267,477</u>	<u>\$ 4,445,992</u>	<u>\$ 6,016,518</u>	<u>\$ 10,462,510</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023						
	Program Services						
	Future of the Internet	Democracy and Digital Civil Rights	Future of Journalism	Total Program Services	Management and General	Fund Raising	Total
Combined totals							
Communications	\$ 66,399	\$ 63,349	\$ 104,816	\$ 234,564	\$ 7,777	\$ 32,928	\$ 275,269
Equipment and furnishings	3,521	3,336	5,413	12,270	615	1,625	14,510
Occupancy and operating	61,367	57,746	94,527	213,640	8,021	37,341	259,002
Professional services	3,761	3,567	5,798	13,126	35,791	9,255	58,172
Special projects	126,938	24,506	689,716	841,160	712	839	842,711
Staffing costs	1,359,691	1,615,325	2,097,232	5,072,248	226,580	643,633	5,942,461
Travel costs	<u>11,908</u>	<u>20,916</u>	<u>53,443</u>	<u>86,267</u>	<u>274</u>	<u>720</u>	<u>87,261</u>
	<u>\$ 1,633,585</u>	<u>\$ 1,788,745</u>	<u>\$ 3,050,945</u>	<u>\$ 6,473,275</u>	<u>\$ 279,770</u>	<u>\$ 726,341</u>	<u>\$ 7,479,386</u>
	2022						
	Program Services						
	Future of the Internet	Democracy and Digital Civil Rights	Future of Journalism	Total Program Services	Management and General	Fund Raising	Total
Combined totals							
Communications	\$ 58,518	\$ 57,775	\$ 77,578	\$ 193,871	\$ 10,533	\$ 30,120	\$ 234,524
Equipment and furnishings	9,894	9,828	12,925	32,647	1,614	3,987	38,248
Occupancy and operating	64,171	63,684	84,682	212,537	20,159	35,834	268,530
Professional services	5,031	4,987	6,531	16,549	27,645	11,021	55,215
Special projects	2,453	3,071	304,819	310,343	215	517	311,075
Staffing costs	1,232,949	1,307,299	1,644,588	4,184,836	208,107	517,348	4,910,291
Travel costs	<u>2,709</u>	<u>4,882</u>	<u>22,310</u>	<u>29,901</u>	<u>279</u>	<u>704</u>	<u>30,884</u>
	<u>\$ 1,375,725</u>	<u>\$ 1,451,526</u>	<u>\$ 2,153,433</u>	<u>\$ 4,980,684</u>	<u>\$ 268,552</u>	<u>\$ 599,531</u>	<u>\$ 5,848,767</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 2,804,967	\$ 5,097,181
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Right-of-use asset amortization	163,848	237,692
Depreciation	3,716	5,126
Unrealized loss (gain)	1,047	(3,772)
Donated securities	(184,993)	(160,979)
Changes in assets		
Contributions receivable	(2,484,699)	(3,984,356)
Other receivables	370,236	-
Prepaid expenses	7,541	(32,061)
Changes in liabilities		
Accounts payable	120,863	42,058
Accrued expenses	72,525	(104,914)
Lease liability	(175,936)	(154,136)
Net cash provided by operating activities	699,115	941,839
Cash flows from investing activities		
Proceeds from sale/maturity of investments	1,080,001	161,425
Purchases of property and equipment	(36,328)	-
Purchase of investments	(3,265,371)	(1,093,374)
Net cash used for investing activities	(2,221,698)	(931,949)
Net change in cash and cash equivalents	(1,522,583)	9,890
Cash and cash equivalents		
Beginning of year	2,288,148	2,278,258
End of year	\$ 765,565	\$ 2,288,148
Non-cash investing activities		
Right-of-use asset	\$ -	\$ 758,128
Lease liability	-	(846,764)
	\$ -	\$ (88,636)



FREE PRESS AND FREE PRESS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1. THE ORGANIZATIONS AND NATURE OF OPERATIONS

Free Press

Free Press, founded in 2003, is a national, non-partisan, not-for-profit organization working to increase informed public participation in crucial media policy debates and to generate policies that will produce a more competitive and public-orientated system with a strong nonprofit and noncommercial sector.

Free Press was created for the charitable and educational purposes of conducting research on how the current media system influences the development of public policy and to educate the public and policy-makers on how a more diverse and public service-orientated media system can strengthen American democracy.

Free Press works to preserve rights to free expression, communication and privacy online and in person. Areas of focus include Future of the Internet; Democracy and Digital Civil Rights; and Future of Journalism.

Free Press Action Fund

Free Press Action Fund, founded in 2003, is a national, non-partisan, not-for-profit, social welfare organization working to educate its members and the general public on how a diverse and public service-oriented media system can strengthen American democracy. Free Press Action Fund advocates and lobbies for media policy that will promote diverse and independent media ownership, strong public media, and universal access to communications.

The accompanying combined financial statements include the accounts of Free Press and Free Press Action Fund (the Organizations). All intercompany transactions have been eliminated in the combined financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Organizations are required to report information regarding their financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - For reporting purposes, the Organizations consider all investments with original maturities of three months or less to be cash and cash equivalents. In addition, cash and cash equivalents include amounts on deposit with a financial institution that limits withdrawals to once per month.

Investment Valuation and Income Recognition - Investments consist of amounts held in certificates of deposits, an equity mutual fund, and a money market mutual fund, which are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair value of certificates of deposit is based on market interest rates, and the fair values of the mutual funds are based on quoted market prices. Investment income includes interest, dividends, and changes in fair value. Investment income is reported in the combined statements of activities net of all external and direct internal investment expenses.

Promises to Give - Unconditional promises to give are recognized as revenues or gains in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment - The Organizations capitalize all expenditures for property and equipment in excess of \$10,000 and having a useful life of greater than three years. Purchased property and equipment are capitalized at cost. Donated property and equipment are capitalized at the estimated fair value at the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Operating Leases - In their combined statements of financial position, the Organizations record a right-of-use asset and lease liability, initially measured at the present value of total lease payments using a risk-free rate that approximates the remaining term of the lease. The Organizations consider the likelihood of exercising renewal or termination clauses (if any) in measuring their right-of-use assets and lease liabilities. A single lease cost calculated so that the cost of the lease is allocated over the lease term on straight-line basis. Short-term leases (those with an initial term of twelve months or less and no purchase option) are expensed over their terms, with no corresponding right-of-use asset or lease liability recorded. The Organizations do not separate non-lease components (if any) from lease components in determining the lease payments for leases of office equipment.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets - Net assets are reported in two distinct classes as follows:

Net assets without donor restrictions - These net assets are available to finance the general operations of the Organizations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organizations, the environments in which they operate, and the purposes specified in their organizing documents.

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by the Organizations is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual.

Donated Securities - From time to time, the Organizations receive, as donations, financial securities. Revenue is recognized on such donations based on the fair value at the time the donation is received and is reported as a component of contributions.

Contributions - Contributions received are reported as increases in net assets not subject to donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted revenue is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Grants - Most grant agreements are accounted for as contribution transactions. When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability and recognized as contribution revenue only when the conditions are met.

Functional Allocation of Expenses - The costs of providing the various programs and supporting activities of the Organizations have been summarized on a functional basis in the combined statements of activities and functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates. Salaries and related fringe benefits are allocated based on employee time and effort studies. Information technology costs are allocated based on the relative benefit of related activity use. Other common costs such as occupancy, depreciation and related infrastructure costs are allocated based on employee time and effort studies.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification - Certain amounts previously reported for the year ended December 31, 2022 have been reclassified to conform to the 2023 presentation.

NOTE 3. TAX STATUS

Free Press is exempt from Federal income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code (IRC) and is similarly exempt from state income taxes under Massachusetts law. Free Press Action Fund is exempt from Federal income taxes under Section 501(c)(4) of the IRC and is similarly exempt from state income taxes under Massachusetts law. However, income from activities not directly related to the Organizations' tax-exempt purposes may be subject to tax as unrelated business income. To date, the Organizations have not engaged in such activities and, therefore, no provision has been made for Federal or State income taxes in the accompanying combined financial statements.

The Organizations account for income taxes in accordance with the ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organizations performed an evaluation of uncertain tax positions for the years ended December 31, 2023 and 2022, and determined that there were no matters that would require recognition in the combined financial statements or that may have an effect on their tax-exempt status. It is the Organizations' policy to recognize interest and/or penalties related to uncertain tax positions, if any, in unrelated business income tax expense.

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of the Organizations' liquidity management, they have a policy to structure their financial assets to be available as their general expenditures, liabilities, and other obligations come due. In addition, the Organizations maintain three to six months of operating expenses in reserves.

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following table represents the Organizations' combined financial assets available to meet cash needs for general expenditures within one year of December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Financial assets at end of year		
Cash and cash equivalents	\$ 765,565	\$ 2,288,148
Investments	5,761,396	3,392,081
Contributions receivable	7,180,425	4,695,726
Other receivables	<u>13,862</u>	<u>384,098</u>
	13,721,248	10,760,053
Less amounts unavailable for general expenditures within one year		
Board designated - Operating reserve	(2,600,000)	(1,950,000)
Board designated - Program reserve	(1,000,000)	(1,000,000)
Restricted by donors for specific purposes	(2,178,000)	(1,056,518)
Restricted by donors for general support in more than one year	<u>3,025,000</u>	<u>3,430,000</u>
Financial assets available for general expenditures within one year	<u>\$ 10,968,248</u>	<u>\$ 10,183,535</u>

NOTE 5. PROMISES TO GIVE

As of December 31, 2023 and 2022, contributions receivable are expected to be collected as follows.

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 4,276,160	\$ 1,347,244
Due in 1 - 5 years	<u>3,025,000</u>	<u>3,430,000</u>
	7,301,160	4,777,244
Less discount to net present value	<u>(120,735)</u>	<u>(81,518)</u>
	<u>\$ 7,180,425</u>	<u>\$ 4,695,726</u>

NOTE 6. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organizations report fair value measurements of financial assets and liabilities using a hierarchy for observable independent market inputs and unobservable market assumptions. Considerable judgments are required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies

NOTE 6. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

may have a material effect on the estimated fair value. The three levels of the fair value hierarchy and the inputs used to determine fair values as of December 31, 2023 and 2022 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2 Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Fair values of investments were based on the following inputs as of December 31.

The following table sets forth by level, within the fair value hierarchy, the Organizations' assets at fair value as of December 31, 2023:

	2023			
Total Investments	Quoted Price Market for Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Certificates of deposit	\$ 4,323,216	\$ -	\$ 4,323,216	\$ -
Money market mutual fund	<u>1,438,180</u>	<u>1,438,180</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,761,396</u>	<u>\$ 1,438,180</u>	<u>\$ 4,323,216</u>	<u>\$ -</u>

NOTE 6. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organizations' assets at fair value as of December 31, 2022:

	2022			
	Total Investments	Quoted Price Market for Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 1,949,023	\$ -	\$ 1,949,023	\$ -
Common stock	5,007	5,007	-	-
US Treasury securities	496,310	496,310	-	-
Money market mutual fund	941,741	941,741	-	-
	<u>\$ 3,392,081</u>	<u>\$ 1,443,058</u>	<u>\$ 1,949,023</u>	<u>\$ -</u>

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2023 and 2022.

Certificates of deposit: Value is estimated using rates currently offered for deposits of similar remaining maturities.

Common stock, US Treasury securities and money market mutual funds: Valued based on quoted market prices of identical investments as of the last business day of the year.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31,:

	2023	2022
Office furniture and equipment	\$ 25,631	\$ 25,631
Leasehold Improvements	36,328	-
Less accumulated depreciation	<u>(26,766)</u>	<u>(23,050)</u>
	<u>\$ 35,193</u>	<u>\$ 2,581</u>

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with temporary donor restrictions as of December 31, 2023 and 2022, and net assets released from restrictions during the year then ended related to the following programs and time restrictions.

	December 31, 2023			
	Beginning of Year	Contributions	Net Assets Released	End Of Year
Time-restricted for general support	\$ 4,960,000	\$ -	\$ (1,580,000)	\$ 3,380,000
Future of the Internet	-	50,000	(35,000)	15,000
Future of Journalism	561,018	1,950,000	(708,518)	1,802,500
Democracy and Digital Civil Rights	<u>495,500</u>	<u>730,000</u>	<u>(865,000)</u>	<u>360,500</u>
	<u>\$ 6,016,518</u>	<u>\$ 2,730,000</u>	<u>\$ (3,188,518)</u>	<u>\$ 5,558,000</u>

	December 31, 2022			
	Beginning of Year	Contributions	Net Assets Released	End Of Year
Time-restricted for general support	\$ 400,000	\$ 6,340,000	\$ (1,780,000)	\$ 4,960,000
Future of the Internet	-	-	-	-
Future of Journalism	705,000	225,000	(368,982)	561,018
Democracy and Digital Civil Rights	<u>93,000</u>	<u>975,000</u>	<u>(572,500)</u>	<u>495,500</u>
	<u>\$ 1,198,000</u>	<u>\$ 7,540,000</u>	<u>\$ (2,721,482)</u>	<u>\$ 6,016,518</u>

NOTE 9. RETIREMENT BENEFITS

Effective October 1, 2018, the Organizations contribute to a Section 403(b) plan on behalf of substantially all employees. In order to be eligible, an employee must have earned a minimum of \$450 during the preceding twelve months; must be a minimum of 18 years old; and must be a U.S. citizen or certain nonresident alien. The retirement plan contribution can vary each year from 0% to 25% of compensation (said limits are subject to change by federal legislation). Pension expense for the years ended December 31, 2023 and 2022 was \$166,287 and \$151,756, respectively.

NOTE 10. OPERATING LEASE

The Organizations conduct their operations from a facility located in Washington, D.C. and also have a significant portion of their employees working remotely. The Washington, D.C. lease, which commenced March 1, 2012, with an original expiration date of February 28, 2019, was extended through July 31, 2026. As part of the amended lease agreement, the monthly rent was abated for a period of five months. During 2020, the Organizations requested that the rent increase due to take place in September of that year be deferred for one year due to the Coronavirus pandemic. The deferred amount will be applied to the last year of the lease.

NOTE 10. OPERATING LEASE (CONTINUED)

Operating lease expense totaled \$170,168 and \$168,864 for the years ended December 31, 2023 and 2022, respectively. The Organizations had no variable or short-term lease expense in 2023 or 2022 and does not have any finance leases.

Supplemental qualitative information related to operating leases is as follows:

	<u>Year Ended</u> <u>December 31, 2023</u>
Weighted-average remaining lease term (in years)	2.58
Weighted-average discount rate	1.04%

The maturity of the lease liability under the Organization's operating lease as of December 31, 2023 is as follows:

Year ended December 31,			
	2024	\$	189,462
	2025		199,365
	2026		<u>122,034</u>
	Undiscounted future cash flows		510,861
	Less discount to present value		<u>(7,182)</u>
	Total lease liability	\$	<u>503,679</u>

NOTE 11. CONCENTRATIONS

The Organizations maintain their cash, cash equivalents and certificates of deposit with two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000 per depositor. The Organizations had cash balances on deposit with the financial institutions at December 31, 2023 that exceeded the balances insured by the FDIC by approximately \$147,000. These amounts are fully insured by the Depositors Insurance Fund (DIF), which insures all deposits above FDIC limits at Massachusetts chartered savings banks.

Concentrations in revenue with respect to contributions are generally limited due to the large number of contributors comprising the Organizations' contributor bases and their dispersion across different industries and geographic areas. However, during 2023, approximately 73% of total contributions were received from eight donors, and amounts due from three donors comprised 63% of total contributions receivable as of December 31, 2023. During 2022, approximately 79% of total contributions were received from seven donors, and amounts due from two donors comprised 96% of total contributions receivable as of December 31, 2022.



NOTE 12. COVID RELIEF FUNDING

Under the provisions of the CARES Act, Free Press was eligible for a refundable employee retention tax credit subject to certain criteria. The Organization recognized revenue during the year ended December 31, 2021 in the amount of \$383,906 related to the employee retention credit and has filed for refunds of the credit. The full amount of the refund was received, along with additional interest earned, during the year ended December 31, 2023.

NOTE 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 8, 2024, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.



SUPPLEMENTAL INFORMATION



FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	Free Press	Free Press Action Fund	Total	Eliminations	2023 Total	2022 Total
Assets						
Assets						
Cash and cash equivalents	\$ 86,845	\$ 678,720	\$ 765,565	\$ -	\$ 765,565	\$ 2,288,148
Investments	5,761,396	-	5,761,396	-	5,761,396	3,392,081
Contributions receivable	6,530,298	650,127	7,180,425	-	7,180,425	4,695,726
Other receivables	13,862	-	13,862	-	13,862	384,098
Due from affiliate	218,386	-	218,386	(218,386)	-	-
Prepaid expenses	87,531	1,563	89,094	-	89,094	96,635
Affiliate advance	-	175,000	175,000	(175,000)	-	-
Property and equipment, net	35,193	-	35,193	-	35,193	2,581
Right-of-use asset - operating lease	379,136	53,076	432,212	-	432,212	596,059
Security deposit	12,881	-	12,881	-	12,881	12,881
Total assets	<u>\$ 13,125,528</u>	<u>\$ 1,558,486</u>	<u>\$ 14,684,014</u>	<u>\$ (393,386)</u>	<u>\$ 14,290,628</u>	<u>\$ 11,468,209</u>
Liabilities and Net Assets						
Liabilities						
Due to affiliate	\$ -	\$ 218,386	\$ 218,386	\$ (218,386)	\$ -	\$ -
Accounts payable	206,850	8,817	215,667	-	215,667	94,804
Accrued expenses	272,101	31,704	303,805	-	303,805	231,280
Operating lease liability	441,827	61,852	503,679	-	503,679	679,615
Advance from affiliate	175,000	-	175,000	(175,000)	-	-
Total liabilities	<u>1,095,778</u>	<u>320,759</u>	<u>1,416,537</u>	<u>(393,386)</u>	<u>1,023,151</u>	<u>1,005,699</u>
Net assets						
Without donor restrictions						
Undesignated	2,796,750	1,012,727	3,809,477	-	3,809,477	1,495,992
Board designated - Operating reserve	2,390,000	210,000	2,600,000	-	2,600,000	1,950,000
Board designated - Program reserve	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Total without donor restrictions	<u>6,186,750</u>	<u>1,222,727</u>	<u>7,409,477</u>	<u>-</u>	<u>7,409,477</u>	<u>4,445,992</u>
With donor restrictions	<u>5,843,000</u>	<u>15,000</u>	<u>5,858,000</u>	<u>-</u>	<u>5,858,000</u>	<u>6,016,518</u>
Total net assets	<u>12,029,750</u>	<u>1,237,727</u>	<u>13,267,477</u>	<u>-</u>	<u>13,267,477</u>	<u>10,462,510</u>
Total liabilities and net assets	<u>\$ 13,125,528</u>	<u>\$ 1,558,486</u>	<u>\$ 14,684,014</u>	<u>\$ (393,386)</u>	<u>\$ 14,290,628</u>	<u>\$ 11,468,209</u>

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)

	2023							2022			
	Without Donor Restrictions			With Donor Restrictions			Eliminations	2023 Total	Without Donor Restrictions	With Donor Restrictions	2022 Total
	Free Press	Free Press Action Fund	Total	Free Press	Free Press Action Fund	Total					
Support and revenue											
Contributions											
Membership	\$ -	\$ 89,205	\$ 89,205	\$ -	\$ -	\$ -	\$ -	\$ 89,205	\$ 99,159	\$ -	\$ 99,159
Other	5,882,873	1,175,000	7,057,873	2,645,000	85,000	2,730,000	(100,000)	9,687,873	3,209,512	7,540,000	10,749,512
Investment income	295,311	15,602	310,913	-	-	-	-	310,913	38,022	-	38,022
Other income	92,591	3,771	96,362	-	-	-	-	96,362	59,255	-	59,255
Net assets released from restrictions	<u>3,103,518</u>	<u>85,000</u>	<u>3,188,518</u>	<u>(3,103,518)</u>	<u>(85,000)</u>	<u>(3,188,518)</u>	<u>-</u>	<u>-</u>	<u>2,721,482</u>	<u>(2,721,482)</u>	<u>-</u>
Total support and revenue	<u>9,374,293</u>	<u>1,368,578</u>	<u>10,742,871</u>	<u>(458,518)</u>	<u>-</u>	<u>(458,518)</u>	<u>(100,000)</u>	<u>10,184,353</u>	<u>6,127,430</u>	<u>4,818,518</u>	<u>10,945,948</u>
Expenses											
Program services	5,682,078	791,197	6,473,275	-	-	-	(100,000)	6,373,275	4,980,684	-	4,980,684
Management and general	210,933	68,837	279,770	-	-	-	-	279,770	268,552	-	268,552
Fund raising	619,629	106,712	726,341	-	-	-	-	726,341	599,531	-	599,531
Total expenses	<u>6,512,640</u>	<u>966,746</u>	<u>7,479,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>7,379,386</u>	<u>5,848,767</u>	<u>-</u>	<u>5,848,767</u>
Change in net assets	2,861,653	401,832	3,263,485	(458,518)	-	(458,518)	-	2,804,967	278,663	4,818,518	5,097,181
Net assets											
Beginning of year	<u>3,325,097</u>	<u>820,895</u>	<u>4,270,992</u>	<u>6,301,518</u>	<u>15,000</u>	<u>6,191,518</u>	<u>-</u>	<u>10,462,510</u>	<u>4,167,329</u>	<u>1,198,000</u>	<u>5,365,329</u>
End of year	<u>\$ 6,186,750</u>	<u>\$ 1,222,727</u>	<u>\$ 7,534,477</u>	<u>\$ 5,843,000</u>	<u>\$ 15,000</u>	<u>\$ 5,733,000</u>	<u>\$ -</u>	<u>\$ 13,267,477</u>	<u>\$ 4,445,992</u>	<u>\$ 6,016,518</u>	<u>\$ 10,462,510</u>

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)

	Program Services			Total Program Services	Management and General		Fund Raising	2023 Total	2022 Total
	Future of the Internet	Democracy and Digital Civil Rights	Future of Journalism						
Free Press									
Communications	\$ 53,988	\$ 53,926	\$ 97,132	\$ 205,046	\$ 6,130	\$ 30,025	\$ 241,201	\$ 196,867	
Equipment and furnishings	2,898	2,882	5,027	10,807	488	1,386	12,681	35,548	
Occupancy and operating	50,967	50,168	88,089	189,224	4,073	28,626	221,923	240,625	
Professional services	3,110	3,092	5,395	11,597	25,009	6,203	42,809	39,440	
Special projects	117,065	19,126	685,477	821,668	683	793	823,144	310,713	
Staffing costs	1,057,163	1,394,370	1,909,578	4,361,111	174,333	551,981	5,087,425	4,401,993	
Travel costs	11,633	17,720	53,272	82,625	217	615	83,457	30,432	
	<u>\$ 1,296,824</u>	<u>\$ 1,541,284</u>	<u>\$ 2,843,970</u>	<u>\$ 5,682,078</u>	<u>\$ 210,933</u>	<u>\$ 619,629</u>	<u>\$ 6,512,640</u>	<u>\$ 5,255,618</u>	
Free Press Action Fund									
Communications	\$ 12,411	\$ 9,423	\$ 7,684	\$ 29,518	\$ 1,647	\$ 2,903	\$ 34,068	\$ 37,657	
Equipment and furnishings	623	454	386	1,463	127	239	1,829	2,700	
Occupancy and operating	10,400	7,578	6,438	24,416	3,948	8,715	37,079	27,905	
Professional services	651	475	403	1,529	10,782	3,052	15,363	15,775	
Special projects	9,873	5,380	4,239	19,492	29	46	19,567	362	
Staffing costs	302,528	220,955	187,654	711,137	52,247	91,652	855,036	508,298	
Travel costs	275	3,196	171	3,642	57	105	3,804	452	
	<u>\$ 336,761</u>	<u>\$ 247,461</u>	<u>\$ 206,975</u>	<u>\$ 791,197</u>	<u>\$ 68,837</u>	<u>\$ 106,712</u>	<u>\$ 966,746</u>	<u>\$ 593,149</u>	
Combined totals									
Communications	\$ 66,399	\$ 63,349	\$ 104,816	\$ 234,564	\$ 7,777	\$ 32,928	\$ 275,269	\$ 234,524	
Equipment and furnishings	3,521	3,336	5,413	12,270	615	1,625	14,510	38,248	
Occupancy and operating	61,367	57,746	94,527	213,640	8,021	37,341	259,002	268,530	
Professional services	3,761	3,567	5,798	13,126	35,791	9,255	58,172	55,215	
Special projects	126,938	24,506	689,716	841,160	712	839	842,711	311,075	
Staffing costs	1,359,691	1,615,325	2,097,232	5,072,248	226,580	643,633	5,942,461	4,910,291	
Travel costs	11,908	20,916	53,443	86,267	274	720	87,261	30,884	
	<u>\$ 1,633,585</u>	<u>\$ 1,788,745</u>	<u>\$ 3,050,945</u>	<u>\$ 6,473,275</u>	<u>\$ 279,770</u>	<u>\$ 726,341</u>	<u>\$ 7,479,386</u>	<u>\$ 5,848,767</u>	

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2022)

	Free Press	Free Press Action Fund	Eliminations	2023 Total	2022 Total
Cash flows from operating activities					
Change in net assets	\$ 2,403,135	\$ 401,832	\$ -	\$ 2,804,967	\$ 5,097,181
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities					
Depreciation	3,716	-	-	3,716	5,126
Right-of-use asset amortization	170,521	(6,673)	-	163,848	250,705
Unrealized loss (gain) on investments	1,047	-	-	1,047	(3,772)
Donated securities	(184,993)	-	-	(184,993)	(160,979)
Change in assets					
Contributions receivable	(1,884,572)	(600,127)	-	(2,484,699)	(3,984,356)
Other receivables	370,236	-	-	370,236	-
Due from affiliate	(101,539)	-	101,539	-	-
Prepaid expenses	7,589	(48)	-	7,541	(32,061)
Change in liabilities					
Due to affiliate	-	101,539	(101,539)	-	-
Accounts payable	112,046	8,817	-	120,863	42,058
Grant payable to affiliate	-	-	-	-	-
Advance from affiliate	50,000	(50,000)	-	-	-
Accrued expenses	55,912	16,613	-	72,525	(104,914)
Lease liability	(184,880)	8,944	-	(175,936)	(167,149)
Net cash used for operating activities	<u>818,218</u>	<u>(119,103)</u>	<u>-</u>	<u>699,115</u>	<u>941,839</u>
Cash flows from investing activities					
Proceeds from sale/maturity of investments	1,080,001	-	-	1,080,001	161,425
Purchases of property and equipment	(36,328)	-	-	(36,328)	-
Purchases of investments	(3,265,371)	-	-	(3,265,371)	(1,093,374)
Net cash used for investing activities	<u>(2,221,698)</u>	<u>-</u>	<u>-</u>	<u>(2,221,698)</u>	<u>(931,949)</u>
Net change in cash and cash equivalents	(1,403,480)	(119,103)	-	(1,522,583)	9,890
Cash and cash equivalents					
Beginning of year	<u>1,490,325</u>	<u>797,823</u>	<u>-</u>	<u>2,288,148</u>	<u>2,278,258</u>
End of year	<u>\$ 86,845</u>	<u>\$ 678,720</u>	<u>\$ -</u>	<u>\$ 765,565</u>	<u>\$ 2,288,148</u>