



FREE PRESS AND FREE PRESS ACTION FUND

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2024





FREE PRESS AND FREE PRESS ACTION FUND

COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

CONTENTS

	PAGE
Independent Auditor's Report	1
Combined Statements of Financial Position	4
Combined Statements of Activities	5
Combined Statements of Functional Expenses	6
Combined Statements of Cash Flows	7
Notes to Combined Financial Statements	8
Supplemental Information	
Combining Statement of Financial Position	18
Combining Statement of Activities	19
Combining Statement of Functional Expenses	20
Combining Statement of Cash Flows	21





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, 2024 and 2023, 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, 2024 and 2023, 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 combined 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 combined 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
April 29, 2025



FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets		
Assets		
Cash and cash equivalents	\$ 1,032,107	\$ 765,565
Investments	7,133,766	5,761,396
Contributions receivable	3,568,217	7,180,425
Other receivables	8,219	13,862
Prepaid expenses	161,083	89,094
Property and equipment, net	43,632	35,193
Right-of-use asset - operating lease	266,490	432,212
Security deposit	<u>12,881</u>	<u>12,881</u>
Total assets	<u>\$ 12,226,395</u>	<u>\$ 14,290,628</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 93,900	\$ 215,667
Operating lease liability	318,583	503,679
Accrued vacation	<u>347,332</u>	<u>303,805</u>
Total liabilities	<u>759,815</u>	<u>1,023,151</u>
Net assets		
Without donor restrictions		
Undesignated	3,229,080	4,114,477
Board designated - operating reserve	2,975,000	2,600,000
Board designated - program reserve	<u>1,000,000</u>	<u>1,000,000</u>
Total without donor restrictions	7,204,080	7,714,477
With donor restrictions	<u>4,262,500</u>	<u>5,553,000</u>
Total net assets	<u>11,466,580</u>	<u>13,267,477</u>
Total liabilities and net assets	<u>\$ 12,226,395</u>	<u>\$ 14,290,628</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions						
Membership	\$ 83,737	\$ -	\$ 83,737	\$ 89,205	\$ -	\$ 89,205
Other	2,780,574	2,539,500	5,320,074	6,957,873	2,730,000	9,687,873
Investment income	374,631	-	374,631	310,913	-	310,913
Other income	229,200	-	229,200	96,362	-	96,362
Net assets released from restrictions	<u>3,830,000</u>	<u>(3,830,000)</u>	<u>-</u>	<u>3,188,518</u>	<u>(3,188,518)</u>	<u>-</u>
Total support and revenue	<u>7,298,142</u>	<u>(1,290,500)</u>	<u>6,007,642</u>	<u>10,642,871</u>	<u>(458,518)</u>	<u>10,184,353</u>
Expenses						
Program services	6,581,964	-	6,581,964	6,373,275	-	6,373,275
Management and general	358,255	-	358,255	279,770	-	279,770
Fund raising	<u>868,320</u>	<u>-</u>	<u>868,320</u>	<u>726,341</u>	<u>-</u>	<u>726,341</u>
Total expenses	<u>7,808,539</u>	<u>-</u>	<u>7,808,539</u>	<u>7,379,386</u>	<u>-</u>	<u>7,379,386</u>
Change in net assets	(510,397)	(1,290,500)	(1,800,897)	3,263,485	(458,518)	2,804,967
Net assets						
Beginning of year	<u>7,714,477</u>	<u>5,553,000</u>	<u>13,267,477</u>	<u>4,450,992</u>	<u>6,011,518</u>	<u>10,462,510</u>
End of year	<u>\$ 7,204,080</u>	<u>\$ 4,262,500</u>	<u>\$ 11,466,580</u>	<u>\$ 7,714,477</u>	<u>\$ 5,553,000</u>	<u>\$ 13,267,477</u>

See accompanying notes to combined financial statements.

FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024						
	Program Services				Management and General	Fund Raising	Total
	Future of the Internet	Democracy and Digital Civil Rights	Future of Journalism	Total Program Services			
Combined totals							
Communications	\$ 67,418	\$ 55,380	\$ 143,263	\$ 266,061	\$ 8,225	\$ 29,802	\$ 304,088
Equipment and furnishings	2,191	1,674	5,074	8,939	565	1,338	10,842
Occupancy and operating	58,298	46,098	122,655	227,051	4,869	42,315	274,235
Professional services	106,900	2,944	8,476	118,320	38,595	14,426	171,341
Special projects	20,304	7,619	638,001	665,924	342	-	666,266
Staffing costs	1,278,508	1,046,953	2,888,851	5,214,312	305,628	780,366	6,300,306
Travel costs	10,193	7,797	63,367	81,357	31	73	81,461
	<u>\$ 1,543,812</u>	<u>\$ 1,168,465</u>	<u>\$ 3,869,687</u>	<u>\$ 6,581,964</u>	<u>\$ 358,255</u>	<u>\$ 868,320</u>	<u>\$ 7,808,539</u>
	2023						
	Program Services				Management and General	Fund Raising	Total
	Future of the Internet	Democracy and Digital Civil Rights	Future of Journalism	Total Program Services			
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	26,938	24,506	689,716	741,160	712	839	742,711
Staffing costs	1,359,691	1,615,325	2,097,232	5,072,248	226,580	643,633	5,942,461
Travel costs	11,908	20,916	53,443	86,267	274	720	87,261
	<u>\$ 1,533,585</u>	<u>\$ 1,788,745</u>	<u>\$ 3,050,945</u>	<u>\$ 6,373,275</u>	<u>\$ 279,770</u>	<u>\$ 726,341</u>	<u>\$ 7,379,386</u>

See accompanying notes to combined financial statements.



FREE PRESS AND FREE PRESS ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (1,800,897)	\$ 2,804,967
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Right-of-use asset amortization	165,722	163,848
Depreciation	1,135	3,716
Unrealized loss (gain)	(9,834)	1,047
Donated securities	(182,354)	(184,993)
Changes in assets		
Contributions receivable	3,612,208	(2,484,699)
Other receivables	5,643	370,236
Prepaid expenses	(71,989)	7,541
Changes in liabilities		
Accounts payable	(113,350)	120,863
Accrued expenses	35,110	72,525
Lease liability	<u>(185,096)</u>	<u>(175,936)</u>
Net cash provided by operating activities	<u>1,456,298</u>	<u>699,115</u>
Cash flows from investing activities		
Proceeds from sale/maturity of investments	3,135,005	1,080,001
Purchases of property and equipment	(1,831)	(36,328)
Purchase of investments	<u>(4,322,930)</u>	<u>(3,265,371)</u>
Net cash used for investing activities	<u>(1,189,756)</u>	<u>(2,221,698)</u>
Net change in cash and cash equivalents	266,542	(1,522,583)
Cash and cash equivalents		
Beginning of year	<u>765,565</u>	<u>2,288,148</u>
End of year	<u>\$ 1,032,107</u>	<u>\$ 765,565</u>

See accompanying notes to combined financial statements.



FREE PRESS AND FREE PRESS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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 (CONTINUED)

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.

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, 2023 have been reclassified to conform to the 2024 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, 2024 and 2023, 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, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Financial assets at end of year		
Cash and cash equivalents	\$ 1,032,107	\$ 765,565
Investments	7,133,766	5,761,396
Contributions receivable	3,568,217	7,180,425
Other receivables	<u>8,219</u>	<u>13,862</u>
	11,742,309	13,721,248
Less amounts unavailable for general expenditures within one year		
Board designated - Operating reserve	(2,975,000)	(2,600,000)
Board designated - Program reserve	(1,000,000)	(1,000,000)
Restricted by donors for specific purposes	(1,665,500)	(2,173,000)
Restricted by donors for general support in more than one year	<u>(2,700,000)</u>	<u>(3,025,000)</u>
Financial assets available for general expenditures within one year	<u>\$ 3,401,809</u>	<u>\$ 4,923,248</u>

NOTE 5. PROMISES TO GIVE

As of December 31, 2024 and 2023, contributions receivable are expected to be collected as follows.

	<u>2024</u>	<u>2023</u>
Due in less than one year	\$ 904,908	\$ 4,276,160
Due in 1 - 5 years	<u>2,700,000</u>	<u>3,025,000</u>
	3,604,908	7,301,160
Less discount to net present value	<u>(36,691)</u>	<u>(120,735)</u>
	<u>\$ 3,568,217</u>	<u>\$ 7,180,425</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 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, 2024 and 2023 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, 2024:

	2024			
	Total Investments	Quoted Price Market for Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 4,220,057	\$ -	\$ 4,220,057	\$ -
Money market mutual fund	2,913,709	2,913,709	-	-
	<u>\$ 7,133,766</u>	<u>\$ 2,913,709</u>	<u>\$ 4,220,057</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, 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>

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, 2024 and 2023.

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

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,:

	2024	2023
Office furniture and equipment	\$ 25,631	\$ 25,631
Leasehold improvements	45,902	36,328
Less accumulated depreciation	<u>(27,901)</u>	<u>(26,766)</u>
	<u>\$ 43,632</u>	<u>\$ 35,193</u>



NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with temporary donor restrictions as of December 31, 2024 and 2023, and net assets released from restrictions during the year then ended related to the following programs and time restrictions.

	December 31, 2024			
	Beginning of Year	Contributions	Net Assets Released	End Of Year
Time-restricted for general support	\$ 3,380,000	\$ 247,000	\$ (1,030,000)	\$ 2,597,000
Future of the Internet	15,000	-	(15,000)	-
Future of Journalism	1,802,500	1,982,500	(2,265,000)	1,520,000
Democracy and Digital Civil Rights	355,500	310,000	(520,000)	145,500
	<u>\$ 5,553,000</u>	<u>\$ 2,539,500</u>	<u>\$ (3,830,000)</u>	<u>\$ 4,262,500</u>

	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	490,500	730,000	(865,000)	355,500
	<u>\$ 6,011,518</u>	<u>\$ 2,730,000</u>	<u>\$ (3,188,518)</u>	<u>\$ 5,553,000</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, 2024 and 2023 was \$183,956 and \$163,929, 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 \$170,088 and \$170,168 for the years ended December 31, 2024 and 2023, respectively. The Organizations had no variable or short-term lease expense in 2024 or 2023 and does not have any finance leases.

Supplemental qualitative information related to operating leases is as follows:

	Year Ended December 31, 2024
Weighted-average remaining lease term (in years)	1.58
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,		
	2025	\$ 199,365
	2026	<u>122,033</u>
Undiscounted future cash flows		321,398
Less discount to present value		<u>(2,815)</u>
Total lease liability		<u>\$ 318,583</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 are up to \$250,000 per depositor. The Organizations had cash balances on deposit with the financial institutions at December 31, 2024 that exceeded the balances insured by the FDIC by approximately \$716,900. 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 2024, approximately 56% of total contributions were received from ten donors, and amounts due from four donors comprised 88% of total contributions receivable as of December 31, 2024. 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.



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 April 29, 2025, which is the date the combined 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 combined financial statements.



SUPPLEMENTAL INFORMATION



FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	Free Press	Free Press Action Fund	Total	Eliminations	2024 Total	2023 Total
Assets						
Assets						
Cash and cash equivalents	\$ 405,909	\$ 626,198	\$ 1,032,107	\$ -	\$ 1,032,107	\$ 765,565
Investments	7,133,766	-	7,133,766	-	7,133,766	5,761,396
Contributions receivable	3,243,217	325,000	3,568,217	-	3,568,217	7,180,425
Other receivables	8,219	-	8,219	-	8,219	13,862
Due from affiliate	157,922	-	157,922	(157,922)	-	-
Prepaid expenses	159,473	1,610	161,083	-	161,083	89,094
Affiliate advance	-	175,000	175,000	(175,000)	-	-
Property and equipment, net	43,632	-	43,632	-	43,632	35,193
Right-of-use asset - operating lease	239,601	26,889	266,490	-	266,490	432,212
Security deposit	12,881	-	12,881	-	12,881	12,881
Total assets	<u>\$ 11,404,620</u>	<u>\$ 1,154,697</u>	<u>\$ 12,559,317</u>	<u>\$ (332,922)</u>	<u>\$ 12,226,395</u>	<u>\$ 14,290,628</u>
Liabilities and Net Assets						
Liabilities						
Due to affiliate	\$ -	\$ 157,922	\$ 157,922	\$ (157,922)	\$ -	\$ -
Accounts payable	93,500	400	93,900	-	93,900	215,667
Accrued expenses	324,879	22,453	347,332	-	347,332	303,805
Operating lease liability	286,438	32,145	318,583	-	318,583	503,679
Advance from affiliate	175,000	-	175,000	(175,000)	-	-
Total liabilities	<u>879,817</u>	<u>212,920</u>	<u>1,092,737</u>	<u>(332,922)</u>	<u>759,815</u>	<u>1,023,151</u>
Net assets						
Without donor restrictions						
Undesignated	2,512,303	716,777	3,229,080	-	3,229,080	3,809,477
Board designated - operating reserve	2,750,000	225,000	2,975,000	-	2,975,000	2,600,000
Board designated - program reserve	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Total without donor restrictions	<u>6,262,303</u>	<u>941,777</u>	<u>7,204,080</u>	<u>-</u>	<u>7,204,080</u>	<u>7,409,477</u>
With donor restrictions	<u>4,262,500</u>	<u>-</u>	<u>4,262,500</u>	<u>-</u>	<u>4,262,500</u>	<u>5,858,000</u>
Total net assets	<u>10,524,803</u>	<u>941,777</u>	<u>11,466,580</u>	<u>-</u>	<u>11,466,580</u>	<u>13,267,477</u>
Total liabilities and net assets	<u>\$ 11,404,620</u>	<u>\$ 1,154,697</u>	<u>\$ 12,559,317</u>	<u>\$ (332,922)</u>	<u>\$ 12,226,395</u>	<u>\$ 14,290,628</u>

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

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

	2024						2023			
	Without Donor Restrictions			With Donor Restrictions				Without Donor Restrictions	With Donor Restrictions	2023
	Free Press	Action Fund	Total	Free Press	Action Fund	Total	Eliminations	Total	Restrictions	Total
Support and revenue										
Contributions										
Membership	\$ -	\$ 83,737	\$ 83,737	\$ -	\$ -	\$ -	\$ -	\$ 83,737	\$ 89,205	\$ 89,205
Other	2,774,745	305,829	3,080,574	2,479,500	60,000	2,539,500	(300,000)	5,320,074	6,957,873	9,687,873
Investment income	353,577	21,054	374,631	-	-	-	-	374,631	310,913	310,913
Other income	229,200	-	229,200	-	-	-	-	229,200	96,362	96,362
Net assets released from restrictions	<u>3,760,000</u>	<u>70,000</u>	<u>3,830,000</u>	<u>(3,760,000)</u>	<u>(70,000)</u>	<u>(3,830,000)</u>	-	-	<u>3,188,518</u>	<u>(3,188,518)</u>
Total support and revenue	<u>7,117,522</u>	<u>480,620</u>	<u>7,598,142</u>	<u>(1,280,500)</u>	<u>(10,000)</u>	<u>(1,290,500)</u>	<u>(300,000)</u>	<u>6,007,642</u>	<u>10,642,871</u>	<u>10,184,353</u>
Expenses										
Program services	6,331,676	550,288	6,881,964	-	-	-	(300,000)	6,581,964	6,373,275	6,373,275
Management and general	298,779	59,476	358,255	-	-	-	-	358,255	279,770	279,770
Fund raising	<u>711,514</u>	<u>156,806</u>	<u>868,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>868,320</u>	<u>726,341</u>	<u>726,341</u>
Total expenses	<u>7,341,969</u>	<u>766,570</u>	<u>8,108,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>7,808,539</u>	<u>7,379,386</u>	<u>7,379,386</u>
Change in net assets	(224,447)	(285,950)	(510,397)	(1,280,500)	(10,000)	(1,290,500)	-	(1,800,897)	3,263,485	2,804,967
Net assets										
Beginning of year	<u>6,486,750</u>	<u>1,227,727</u>	<u>7,714,477</u>	<u>5,543,000</u>	<u>10,000</u>	<u>5,553,000</u>	-	<u>13,267,477</u>	<u>4,450,992</u>	<u>10,462,510</u>
End of year	<u>\$ 6,262,303</u>	<u>\$ 941,777</u>	<u>\$ 7,204,080</u>	<u>\$ 4,262,500</u>	<u>\$ -</u>	<u>\$ 4,262,500</u>	<u>\$ -</u>	<u>\$ 11,466,580</u>	<u>\$ 7,714,477</u>	<u>\$ 13,267,477</u>

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2023)

	Program Services				Management and General		Fund Raising	2024 Total	2023 Total
	Future of the Internet	Democracy and Digital Civil Rights	Future of Journalism	Total Program Services					
Free Press									
Communications	\$ 59,410	\$ 49,437	\$ 138,707	\$ 247,554	\$ 7,071	\$ 25,960	\$ 280,585	\$ 241,201	
Equipment and furnishings	1,817	1,401	4,897	8,115	488	1,104	9,707	12,681	
Occupancy and operating	46,115	35,196	115,550	196,861	1,696	31,846	230,403	221,923	
Professional services	106,116	2,367	8,070	116,553	26,928	8,856	152,337	42,809	
Special projects	109,498	107,615	738,001	955,114	342	-	955,456	823,144	
Staffing costs	1,061,413	887,212	2,777,542	4,726,167	262,228	643,687	5,632,082	5,087,425	
Travel costs	10,188	7,760	63,364	81,312	26	61	81,399	83,457	
	<u>\$ 1,394,557</u>	<u>\$ 1,090,988</u>	<u>\$ 3,846,131</u>	<u>\$ 6,331,676</u>	<u>\$ 298,779</u>	<u>\$ 711,514</u>	<u>\$ 7,341,969</u>	<u>\$ 6,512,640</u>	
Free Press Action Fund									
Communications	\$ 8,008	\$ 5,943	\$ 4,556	\$ 18,507	\$ 1,154	\$ 3,842	\$ 23,503	\$ 34,068	
Equipment and furnishings	374	273	177	824	77	234	1,135	1,829	
Occupancy and operating	12,183	10,902	7,105	30,190	3,173	10,469	43,832	37,079	
Professional services	784	577	406	1,767	11,667	5,570	19,004	15,363	
Special projects	10,806	4	-	10,810	-	-	10,810	19,567	
Staffing costs	217,095	159,741	111,309	488,145	43,400	136,679	668,224	855,036	
Travel costs	5	37	3	45	5	12	62	3,804	
	<u>\$ 249,255</u>	<u>\$ 177,477</u>	<u>\$ 123,556</u>	<u>\$ 550,288</u>	<u>\$ 59,476</u>	<u>\$ 156,806</u>	<u>\$ 766,570</u>	<u>\$ 966,746</u>	
Combined totals									
Communications	\$ 67,418	\$ 55,380	\$ 143,263	\$ 266,061	\$ 8,225	\$ 29,802	\$ 304,088	\$ 275,269	
Equipment and furnishings	2,191	1,674	5,074	8,939	565	1,338	10,842	14,510	
Occupancy and operating	58,298	46,098	122,655	227,051	4,869	42,315	274,235	259,002	
Professional services	106,900	2,944	8,476	118,320	38,595	14,426	171,341	58,172	
Special projects	120,304	107,619	738,001	965,924	342	-	966,266	842,711	
Staffing costs	1,278,508	1,046,953	2,888,851	5,214,312	305,628	780,366	6,300,306	5,942,461	
Travel costs	10,193	7,797	63,367	81,357	31	73	81,461	87,261	
	<u>\$ 1,643,812</u>	<u>\$ 1,268,465</u>	<u>\$ 3,969,687</u>	<u>\$ 6,881,964</u>	<u>\$ 358,255</u>	<u>\$ 868,320</u>	<u>\$ 8,108,539</u>	<u>\$ 7,479,386</u>	

FREE PRESS AND FREE ACTION FUND

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2023)

	Free Press	Free Press Action Fund	Eliminations	2024 Total	2023 Total
Cash flows from operating activities					
Change in net assets	\$ (1,504,947)	\$ (295,950)	\$ -	\$ (1,800,897)	\$ 2,804,967
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities					
Depreciation	1,135	-	-	1,135	3,716
Right-of-use asset amortization	139,535	26,187	-	165,722	163,848
Unrealized loss (gain) on investments	(9,834)	-	-	(9,834)	1,047
Donated securities	(182,354)	-	-	(182,354)	(184,993)
Change in assets					
Contributions receivable	3,287,081	325,127	-	3,612,208	(2,484,699)
Other receivables	5,643	-	-	5,643	370,236
Due from affiliate	60,464	-	(60,464)	-	-
Prepaid expenses	(71,942)	(47)	-	(71,989)	7,541
Change in liabilities					
Due to affiliate	-	(60,464)	60,464	-	-
Accounts payable	(113,350)	-	-	(113,350)	120,863
Grant payable to affiliate	-	-	-	-	-
Advance from affiliate	-	-	-	-	-
Accrued expenses	52,778	(17,668)	-	35,110	72,525
Lease liability	(155,389)	(29,707)	-	(185,096)	(175,936)
Net cash provided by (used for) operating activities	<u>1,508,820</u>	<u>(52,522)</u>	<u>-</u>	<u>1,456,298</u>	<u>699,115</u>
Cash flows from investing activities					
Proceeds from sale/maturity of investments	3,135,005	-	-	3,135,005	1,080,001
Purchases of property and equipment	(1,831)	-	-	(1,831)	(36,328)
Purchases of investments	(4,322,930)	-	-	(4,322,930)	(3,265,371)
Net cash used for investing activities	<u>(1,189,756)</u>	<u>-</u>	<u>-</u>	<u>(1,189,756)</u>	<u>(2,221,698)</u>
Net change in cash and cash equivalents	319,064	(52,522)	-	266,542	(1,522,583)
Cash and cash equivalents					
Beginning of year	<u>86,845</u>	<u>678,720</u>	<u>-</u>	<u>765,565</u>	<u>2,288,148</u>
End of year	<u>\$ 405,909</u>	<u>\$ 626,198</u>	<u>\$ -</u>	<u>\$ 1,032,107</u>	<u>\$ 765,565</u>