THE LENFEST INSTITUTE FOR JOURNALISM, LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT

Board of Managers
The Lenfest Institute for Journalism, LLC
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Lenfest Institute for Journalism, LLC, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 The Lenfest Institute for Journalism, LLC as of December 31, 2024 and 2023, and the changes in its net assets and its 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 (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Lenfest Institute for Journalism, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lenfest Institute for Journalism, LLC's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Managers
The Lenfest Institute for Journalism, LLC

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Lenfest Institute for Journalism, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lenfest Institute for Journalism, LLC'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 audits.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
May 29, 2025

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	$ 9,610,895	$ 21,383,695
Contributions Receivable, Net	14,878,934	6,839,545
Prepaid Expenses and Other Assets	30,874	32,176
Total	24,520,703	28,255,416
Endowment Investments		
Cash Equivalents	6,371,671	8,000,077
Mutual Funds:		
Equity Funds	44,402,668	40,688,941
Fixed Income Funds	14,814,768	14,606,399
Other	13,858,614	13,858,614
Total Endowment Investments	79,447,721	77,154,031
Nonendowment Investments		
Cash Equivalents	8,158,310	2,743,379
Mutual Funds:		
Equity Funds	2,124,011	-
Fixed Income Funds	18,931,131	15,560,093
Total Nonendowment Investments	29,213,452	18,303,472
Total Investments	108,661,173	95,457,503
Right of Use Asset, Net	653,343	714,114
Property and Equipment, Net	93,409	100,904
Total Assets	$ 133,928,628	$ 124,527,937
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 1,326,856	$ 1,432,854
Grants Payable	3,668,682	1,628,754
Lease Liability, Short Term	53,534	49,383
Lease Liability, Long Term	623,574	677,108
Total Liabilities	5,672,646	3,788,099
NET ASSETS		
Without Donor Restrictions	31,690,173	32,301,963
With Donor Restrictions	96,565,809	88,437,875
Total Net Assets	128,255,982	120,739,838
Total Liabilities and Net Assets	$ 133,928,628	$ 124,527,937

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Gifts and Grants	$ 543,543	$ 16,754,672	$ 17,298,215
Bequest	4,232,900	-	4,232,900
Investment Income, Net	1,488,295	1,787,747	3,276,042
Net Unrealized and Realized Investment Gains	11,366	5,158,729	5,170,095
Other Income	173,167	-	173,167
Subtotal	6,449,271	23,701,148	30,150,419
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	10,921,781	(10,921,781)	-
Satisfaction of Restrictions - Spending Policy	4,651,433	(4,651,433)	-
Total Revenue and Support	22,022,485	8,127,934	30,150,419
EXPENSES			
Program Expenses:			
Grants	15,091,490	-	15,091,490
Other Program Expenses	4,928,142	-	4,928,142
Fundraising and Advancement	1,366,363	-	1,366,363
General and Administrative	1,248,280	-	1,248,280
Total Expenses	22,634,275	-	22,634,275
CHANGE IN NET ASSETS	(611,790)	8,127,934	7,516,144
Net Assets - Beginning of Year	32,301,963	88,437,875	120,739,838
NET ASSETS - END OF YEAR	$ 31,690,173	$ 96,565,809	$ 128,255,982

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Gifts and Grants	$ 479,401	$ 12,446,588	$ 12,925,989
Bequest	16,908,400	-	16,908,400
Investment Income, Net	912,095	1,622,656	2,534,751
Net Unrealized and Realized Investment Gains	280,927	7,062,971	7,343,898
Other Income	58,444	-	58,444
Subtotal	18,639,267	21,132,215	39,771,482
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	7,505,727	(7,505,727)	-
Satisfaction of Restrictions - Spending Policy	4,624,943	(4,624,943)	-
Total Revenue and Support	30,769,937	9,001,545	39,771,482
EXPENSES			
Program Expenses:			
Grants	13,810,448	-	13,810,448
Other Program Expenses	5,385,376	-	5,385,376
Fundraising and Advancement	1,408,938	-	1,408,938
General and Administrative	1,081,459	-	1,081,459
Total Expenses	21,686,221	-	21,686,221
CHANGE IN NET ASSETS	9,083,716	9,001,545	18,085,261
Net Assets - Beginning of Year	23,218,247	79,436,330	102,654,577
NET ASSETS - END OF YEAR	$ 32,301,963	$ 88,437,875	$ 120,739,838

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Support Services			Total
		Management and General	Fundraising	Total	
Grants	$ 15,091,490	$ -	$ -	$ -	$ 15,091,490
Salaries	1,210,445	525,374	974,214	1,499,588	2,710,033
Benefits	111,745	50,974	99,037	150,011	261,756
Taxes	71,306	31,435	51,750	83,185	154,491
Accounting Fees	-	63,459	-	63,459	63,459
Bank Fees	1,930	18,357	1,061	19,418	21,348
Computer Expense	53,912	26,937	32,614	59,551	113,463
Conferences, Conventions, and Meetings	261,479	14,858	43,403	58,261	319,740
Consultants	2,986,327	347,043	50,982	398,025	3,384,352
Depreciation	4,939	3,842	5,292	9,134	14,073
Legal Fees	-	75,570	-	75,570	75,570
Liability Insurance	-	34,839	-	34,839	34,839
Membership Dues	5,204	5,823	6,659	12,482	17,686
Occupancy	31,521	24,517	33,767	58,284	89,805
Office Supplies	523	646	701	1,347	1,870
Other Program Expenses	100,255	-	-	-	100,255
Postage and Shipping	413	741	2,270	3,011	3,424
Printing and Publications	7,027	3,751	24,210	27,961	34,988
Public Relations	11,513	956	1,316	2,272	13,785
Travel	69,603	19,158	39,087	58,245	127,848
Total Expenses	$ 20,019,632	$ 1,248,280	$ 1,366,363	$ 2,614,643	$ 22,634,275

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

		Support Services			
	Program Services	Management and General	Fundraising	Total	Total
Grants	$ 13,810,448	$ -	$ -	$ -	$ 13,810,448
Salaries	1,318,566	489,560	912,423	1,401,983	2,720,549
Benefits	173,005	100,947	144,369	245,316	418,321
Taxes	87,028	31,224	51,669	82,893	169,921
Accounting Fees	-	61,455	-	61,455	61,455
Bank Fees	6,378	19,522	-	19,522	25,900
Computer Expense	60,240	26,467	33,523	59,990	120,230
Conferences, Conventions, and Meetings	360,401	19,938	56,786	76,724	437,125
Consultants	2,955,984	160,239	87,212	247,451	3,203,435
Depreciation	4,511	3,509	4,833	8,342	12,853
Legal Fees	-	78,705	-	78,705	78,705
Liability Insurance	-	31,468	-	31,468	31,468
Membership Dues	12,975	1,529	6,804	8,333	21,308
Occupancy	30,995	24,107	33,203	57,310	88,305
Office Supplies	1,247	819	2,343	3,162	4,409
Other Program Expenses	239,605	-	-	-	239,605
Postage and Shipping	384	233	4,304	4,537	4,921
Printing and Publications	31,758	15,929	39,352	55,281	87,039
Public Relations	276	86	171	257	533
Travel	102,023	15,722	31,946	47,668	149,691
Total Expenses	$ 19,195,824	$ 1,081,459	$ 1,408,938	$ 2,490,397	$ 21,686,221

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 7,516,144	$ 18,085,261
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation	14,073	12,853
Loss on Disposal of Fixed Assets	277	-
Amortization of Discount on Contributions Receivable	444,674	108,858
Amortization of Discount on Grants Payable	-	(21,102)
Unrealized Gains on Investments	(4,218,014)	(7,941,595)
Realized (Gains) Losses on Investments	(952,081)	597,697
(Increase) Decrease in Assets:		
Contributions Receivable	(8,484,063)	(4,211,405)
Prepaid Expenses and Other Assets	1,302	(2,366)
Right-of-Use Asset	60,771	(714,114)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	(105,998)	190,415
Grants Payable	2,039,928	(1,733,263)
Lease Liability	(49,383)	726,491
Net Cash (Used) Provided by Operating Activities	(3,732,370)	5,097,730
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(8,098)	(102,490)
Proceeds from Sale of Asset	1,243	-
Purchases of Nonendowment Investments	(18,385,883)	-
Proceeds from Sale of Nonendowment Investments	7,488,621	1,839,425
Purchases of Endowment Investments	(1,873,326)	(18,653)
Proceeds from Sale of Endowment Investments	4,737,013	3,020,925
Net Cash (Used) Provided by Investing Activities	(8,040,430)	4,739,207
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,772,800)	9,836,937
Cash and Cash Equivalents - Beginning of Year	21,383,695	11,546,758
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,610,895	$ 21,383,695

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Lenfest Institute for Journalism, LLC (the Institute) was formed by the Lenfest Institute for Journalism Special Asset Fund of The Philadelphia Foundation (LISAF) as a single member LLC whose sole member is LISAF on December 17, 2015, on the basis of a gift by philanthropist H.F. "Gerry" Lenfest (Lenfest), the founder of the Institute. LISAF is a nonprofit corporation incorporated on December 17, 2002, as a Type I supporting organization to The Philadelphia Foundation (TPF). LISAF's mission is to receive, manage, and distribute assets in support of TPF. The Institute was organized solely and exclusively for educational and other tax-exempt purposes of LISAF in accordance with Section 501(c)(3) of the Internal Revenue Code. LISAF is recognized as a tax-exempt supporting organization under Section 509(a)(3) of the code. The Institute is a disregarded entity for tax purposes.

The Institute is a unique organization whose mission is to build and support sustainable business models for local journalism. The Institute's goal is to transform the news industry in the digital age to ensure that high-quality local journalism remains a cornerstone of our democracy. The Institute believes that for local news to thrive, it needs high-impact journalism, diverse and growing audiences, and innovative news technology and innovation. Lenfest gifted to the Institute an initial endowment of $20 million, and subsequent funds as challenge gifts, as restricted gifts to support the Inquirer and as a portion of his estate. Lenfest also gifted to the Institute his ownership of nonvoting shares of The Philadelphia Inquirer Public Benefit Corporation (PIPBC), which publishes The Philadelphia Inquirer. The Philadelphia Inquirer is operated as a for-profit public benefit corporation, and as the nonoperating parent organization, the Institute supports its innovation efforts through grant making.

The Institute is a beneficiary of the estate of Lenfest. As directed by the Board of Managers, these resources will be used to support programs and activities in keeping with the Institute's mission of building a viable future for local, public-service journalism in Philadelphia, the state of Pennsylvania and throughout the country. To date, approximately $49.4 million has been received. The timing and fair value of future distributions cannot be reasonably estimated and, as such, no additional amounts have been reflected in the financial statements.

Within its mission, the Institute has the following priorities:

The Philadelphia Inquirer: The Philadelphia Inquirer is the largest newspaper in America operated as a public-benefit corporation. The Institute's ownership of non-voting shares in The Inquirer, which covers one of the largest, most diverse metro regions in the country, is a cornerstone of its investment in local news.

The Philadelphia News Ecosystem: In the Philadelphia area, the Institute facilitates and grants money to a robust news and information ecosystem that builds on valuable heritage media while also fostering entrepreneurial vision and innovation. Diversity and representation are critical components of the media's ability to serve communities. The Institute is working to define different pathways to sustainability for publishers while also ensuring a diversity of representative voices and leadership in both legacy and new media reflective of the communities they're serving.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Spotlight PA: Spotlight PA, the Harrisburg newsroom launched by The Lenfest Institute and The Philadelphia Inquirer, creates high-quality investigative and accountability reporting for the benefit of all Pennsylvanians. It provides its reporting free-of-charge to more than 90 other newspapers, public radio stations, and websites throughout Pennsylvania.

National Solutions for Local News: Nationally, the Institute leverages its institutional expertise and resources to facilitate capacity building for local news publishers through training programs and grantmaking to support the implementation of business model best practices. The Institute also serves as fiscal sponsor for a variety of projects that support local news, as well as select local news companies that advance the Institute's mission.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include liquid investments with initial maturities of three months or less. For purposes of the statements of cash flows, cash and cash equivalents do not include cash and cash equivalents included within endowment investments.

Investments

Investments in mutual funds, equities, and fixed income securities are carried at fair value based on quoted market prices. Cash and cash equivalents are carried at cost which approximates fair value. If quoted market prices are not available, fair values of certain investments are based on quoted market prices of comparable instruments.

The Institute has private company stock that has no readily available market value and is stated at cost (appraised value at the date of gift) and included in other endowment investments. The carrying amount of the cost basis investment was $13,858,614 at December 31, 2024 and 2023.

The net changes in fair value and the realized gains and losses on investments sold are reflected in the statements of activities as net unrealized and realized investment gains. Investment transactions are recorded on the trade date.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost. Depreciation is calculated primarily using the straight-line method over the following estimated useful lives:

Leasehold Improvements	10 Years
Furniture	7 Years
Computer Equipment	5 Years

Contributions

Contribution revenue is recorded when a contribution (including verifiable unconditional promises to give) is received. Other contributions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable. Donated securities and other property are recorded at fair value on the date of donation.

Contributions receivable that are not expected to be collected within one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using appropriate interest rates applicable to the years in which the promises are received. The Institute provides for uncollectible contributions receivable using the allowance method, which is based on management's judgment concerning historical collectability and analysis of individual contributions receivable. Past due receivables are individually analyzed for collectability and written off when all efforts at collection have been exhausted.

Classification of Net Assets

The Institute reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions – are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – are subject to donor-imposed stipulations that will be met either by actions of the Institute or the passage of time. These types of net assets primarily include contributions receivable and grants to be spent over a specific time period or for a specific purpose. Net assets with donor restrictions are also comprised of net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Institute. These types of net assets must be maintained in perpetuity by the Institute. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions. Generally, earnings and gains (losses) on restricted contributions are also considered to be with donor restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uniform Prudent Management of Institutional Funds Act

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides guidance on the classification of endowment fund net assets for states that have enacted versions of the UPMIFA and enhances disclosures for endowment funds. Because UPMIFA has not become law in the Commonwealth of Pennsylvania, possible reclassifications of net assets are not required to be made. Disclosure of prevailing law in the Commonwealth of Pennsylvania has been included in Note 4.

Fair Value Measurement

The Financial Accounting Standards Board (FASB) standards provide the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants.

In determining fair value, the Institute uses various valuation approaches, including market, income, and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities. The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Significant inputs to the valuation model are unobservable.

Fair Value of Financial Instruments

The fair value of cash and cash equivalents and grants payable approximate their respective carrying amounts.

The fair value of contributions receivable is estimated by discounting the future cash flows using risk adjusted interest rates applicable to the years in which the promises are received.

The Institute's endowment investments recorded at fair value on a recurring basis are included in Note 5. Determination of the fair value of private company stock could not be made without incurring excessive cost. This investment is valued at cost (appraised value at the date of gift). No impairment was noted for the years ended December 31, 2024 and 2023.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Institute determines if an arrangement is a lease at inception. Operating leases are included as right-of-use (ROU) assets and lease liability in the statements of financial position. The Institute did not have any finance leases for the years ended December 31, 2024 and 2023.

ROU assets represent the Institute's right to use an underlying asset for the lease term and lease liabilities represent the Institute's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Institute will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Subsequent Events

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through May 29, 2025, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

Cash and cash equivalents potentially subject the Institute to a concentration of credit risk. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank deposit accounts may exceed FDIC insurable limits.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivables include unconditional promises to give at December 31:

	2024	2023
Receivable in Less Than One Year	$ 9,669,716	$ 5,598,153
Receivable in One to Five Years	5,762,750	1,350,250
Total	15,432,466	6,948,403
Less: Discounts to Present Value	(553,532)	(108,858)
Net Contribution Receivable	$ 14,878,934	$ 6,839,545

Receivables due in one to five years represent multi-year commitments received in 2024 and years prior. These commitments were discounted using an interest rate of 4.75% in 2024 and 2023.

As of December 31, 2024, three donors accounted for approximately 83% of contributions receivable, while two donors accounted for approximately 95% of contributions receivable as of December 31, 2023.

NOTE 4 ENDOWMENT ACTIVITY

An endowment is an established fund of cash, securities, or other assets to provide income for the maintenance of the Institute. Endowment funds are generally established by donor-restricted gifts or bequests to provide a permanent source of income, or a term endowment, which is to provide income for a specific period.

The mission of the Institute's investment funds is to support current operations through a total return investment strategy and a spending policy set to maintain, and ideally increase, the purchasing power of the endowment, without putting the principal value of these funds at imprudent risk.

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to support operating expenses while maintaining the purchase power of the endowment. Under this policy assets are invested in a manner that is intended to yield a long-term average annual rate of return of 5% above inflation on a net of fees basis assuming a moderate level of investment risk. Results may vary from stated goals in a given year. To satisfy objectives, the Institute relies on a total return strategy in which investment returns are realized through both capital appreciation (realized and unrealized gains) and current yield (dividends and interest). The Institute targets a diversified asset allocation that places a greater emphasis and equity-based investments to achieve long-term goals.

Distributions of the Institute's endowment is made in accordance with the gift agreements. On an annual basis, up to 6% of the fair market value of the endowment fund may be spent based on a moving average of the fair market value of the endowment fund as determined by the board of managers of the Institute. The board of managers may from time-to-time adjust the 6% maximum annual draw on the endowment fund for extraordinary circumstances as determined by two-thirds vote of its board of managers, but in no event shall the annual draw exceed 10%. For the years ended December 31, 2024 and 2023, the distribution was 5% of the 12-quarter average market value of the endowment.

Endowment activity by net asset class for the year ended December 31, 2024 is as follows:

	With Donor Restrictions
Endowment Assets - Beginning of Year	$ 77,154,031
Investment Return:	
Interest and Dividends, Net of Investment Expense of $85,579	1,787,747
Net Realized and Unrealized Gains	5,157,376
Total Investment Return	6,945,123
Distributions of Endowment Income	(4,651,433)
Endowment Assets - End of Year	$ 79,447,721

NOTE 4 ENDOWMENT ACTIVITY (CONTINUED)

Endowment activity by net asset class for the year ended December 31, 2023 is as follows:

	With Donor Restrictions
Endowment Assets - Beginning of Year	$ 73,093,332
Investment Return:	
Interest and Dividends, Net of Investment Expense of $91,720	1,622,656
Net Realized and Unrealized Gains	7,062,986
Total Investment Return	8,685,642
Distributions of Endowment Income	(4,624,943)
Endowment Assets - End of Year	$ 77,154,031

NOTE 5 FAIR VALUE MEASUREMENTS

The Institute uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Institute values all other assets refer to Note 1 – Summary of Significant Accounting Policies.

	Carrying Value at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity Funds	$ 46,526,679	$ -	$ -	$ 46,526,679
Fixed Income Funds	33,745,899	-	-	33,745,899
Total	$ 80,272,578	$ -	$ -	80,272,578
Cash and Cash Equivalents				14,529,981
Total				$ 94,802,559

	Carrying Value at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity Funds	$ 40,688,941	$ -	$ -	$ 40,688,941
Fixed Income Funds	30,166,492	-	-	30,166,492
Total	$ 70,855,433	$ -	$ -	70,855,433
Cash and Cash Equivalents				10,743,456
Total				$ 81,598,889

Assets measured at fair value on a nonrecurring basis include private company stock. Fair value was determined based on multiple valuation methodologies including the discounted cash flow and guideline public company methods. Management periodically obtains an independent third-party valuation to ensure no impairment of cost basis.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2024	2023
Leasehold Improvements	$ 33,328	$ 33,328
Computer Equipment	39,268	33,395
Furniture and Fixtures	48,674	48,674
Less: Accumulated Depreciation	27,861	14,493
Total Property and Equipment, Net	$ 93,409	$ 100,904

Depreciation expense for the years ended December 31, 2024 and 2023 was $14,073 and $12,853, respectively.

NOTE 7 GRANTS PAYABLE

Generally, grants are recorded when approved by the board of managers. As of December 31, 2024 and 2023, the grant payable was $3,668,682 and $1,628,754, respectively. There was no discount of present value as of December 31, 2024 and 2023. No commitments are due more than one year for the years ended December 31, 2024 and 2023.

NOTE 8 DEFINED CONTRIBUTION RETIREMENT PLAN

The Institute's employees are leased from TPF. TPF has a defined contribution plan which covers all eligible employees, including those leased to the Institute. For the years ended December 31, 2024 and 2023, TPF contributed 10% of salaries, as defined, for a total contribution of $230,687 and $201,917, respectively.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with time or purpose restrictions were as follows at December 31:

	2024	2023
Grants for Donor-Restricted Activities, Includes Pledges that are Expected to be Received in Subsequent Years and are Usually Considered to be Purpose-Restricted	$ 17,118,088	$ 11,283,844
Accumulated Gains (Losses) on Permanently Restricted Endowment	3,106,194	(815,868)
Endowment Funds Whereby the Annual Spending Policy is Purpose-Restricted	6,371,705	8,000,077
Total	$ 26,595,987	$ 18,468,053

Net assets to be held in perpetuity were as follows at December 31:

	2024	2023
Endowment Corpus	$ 56,111,208	$ 56,111,208
Private Company Stock, Restricted for Endowment	13,858,614	13,858,614
Total	$ 69,969,822	$ 69,969,822

NOTE 10 FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Institute. These expenses require allocation on a reasonable basis that is consistently applied and are allocated on the basis of estimates of department time and usage. Expenses include depreciation and amortization, the CEO's office, occupancy, and communication. Also included are salaries and benefits, which are allocated on the basis of estimates of time and effort.

Functional expenses for the years ended December 31 were as follows:

	2024	2023
Program Services	$ 20,019,632	$ 19,195,824
Management and General	1,248,280	1,081,459
Fundraising	1,366,363	1,408,938
Total	$ 22,634,275	$ 21,686,221

NOTE 11 LEASES

On January 1, 2023, the Institute entered into a 10-year lease agreement with the Philadelphia Inquirer for the use of office space which expires December 31, 2033. The lease agreement includes annual payments of $76,917 and provides for increases in future minimum annual rental payments.

The following table provides quantitative information concerning the Institute's lease for the years ended December 31:

	2024	2023
Lease Cost:		
Operating Lease Cost	$ 88,305	$ 88,305
Other Information:		
Operating Cash Flows from Operating Lease	$ 76,917	$ 75,928
Right-of-Use Asset Obtained in Exchange for New Operating Lease Liability	$ -	$ 773,118
Weighted Average Remaining Lease Term	9 Years	10 Years
Weighted Average Discount Rate	3.79%	3.79%

A maturity analysis of annual undiscounted cash flows for the lease liability as of December 31, 2024, is as follows:

Year Ending December 31,	Amount
2025	$ 79,196
2026	81,958
2027	84,791
2028	87,699
2029	90,684
Thereafter	394,180
Undiscounted Cash Flows	818,508
Less: Amounts Representing Interest	(141,400)
Total Lease Liability	$ 677,108

NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Institute's financial assets available for expenditure within one year of the statement of financial position date. The Institute's funds consist primarily of endowment and grant funds. Income from endowments and grants are restricted for specific purposes and, therefore, not available for general expenditure.

	2024	2023
Financial Assets, as of December 31	$ 133,151,002	$ 123,680,743
Less:		
Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	(21,340,756)	(11,050,295)
Endowment Funds	(79,447,721)	(77,154,031)
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	$ 32,362,525	$ 35,476,417