

**Committee to Project Journalists, Inc.**

Audited Financial Statements

December 31, 2023

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## Independent Auditor's Report

To the Board of Directors of  
Committee to Protect Journalists, Inc.

### Opinion

We have audited the accompanying financial statements of Committee to Protect Journalists, Inc. ("CPJ"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CPJ as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CPJ and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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, which raise substantial doubt about CPJ's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 CPJ'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 CPJ'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 Summarized Comparative Information**

We have previously audited CPJ's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sax CPAs LLP*

New York, NY  
June 10, 2024

# Committee to Protect Journalists, Inc.

## Statement of Financial Position

At December 31, 2023  
(With comparative totals at December 31, 2022)

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,635,282	\$ 6,819,000
Investments	-	38,985
Prepaid expenses and other assets	154,040	71,130
Pledges receivable	1,776,379	1,419,362
Other receivables	58,795	432,731
Fixed assets, net	12,641,083	13,024,307
Investments held for long-term endowment	17,067,359	15,936,504
<b>TOTAL ASSETS</b>	<b><u>\$ 38,332,938</u></b>	<b><u>\$ 37,742,019</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 539,623	\$ 622,617
Loans payable	4,728,931	4,877,884
Total liabilities	<u>5,268,554</u>	<u>5,500,501</u>
<b>NET ASSETS</b>		
Without donor restrictions	<u>15,484,860</u>	<u>15,465,492</u>
With donor restrictions		
Restricted for specific purposes and time	675,000	968,000
Donor restricted endowment	<u>16,904,524</u>	<u>15,808,026</u>
Total net assets with donor restrictions	<u>17,579,524</u>	<u>16,776,026</u>
Total net assets	<u>33,064,384</u>	<u>32,241,518</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 38,332,938</u></b>	<b><u>\$ 37,742,019</u></b>

*The attached notes and auditor's report are an integral part of these financial statements.*

# Committee to Protect Journalists, Inc.

## Statement of Activities

For the year ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	Without Donor Restrictions			With Donor Restrictions			Total 12/31/23	Total 12/31/22
	Operations	Capital	Total	Purpose and Time Restrictions	Donor Restricted Endowment	Total		
<b>PUBLIC SUPPORT AND REVENUE</b>								
Contributions	\$ 7,644,288	\$ -	\$ 7,644,288	\$ 825,000	\$ -	\$ 825,000	\$ 8,469,288	\$ 8,283,727
Special event (net of expenses with a direct benefit to donor)	1,980,960	-	1,980,960	-	-	-	1,980,960	1,370,875
Investment return	263,812	-	263,812	-	1,893,555	1,893,555	2,157,367	(2,057,540)
Other income	4,737	-	4,737	-	-	-	4,737	388,852
In-kind contributions	1,110,150	-	1,110,150	-	-	-	1,110,150	1,836,060
Net assets released from restrictions	1,915,057	-	1,915,057	(1,118,000)	(797,057)	(1,915,057)	-	-
Total public support and revenue	12,919,004	-	12,919,004	(293,000)	1,096,498	803,498	13,722,502	9,821,974
<b>EXPENSES</b>								
Program Services	9,066,470	247,466	9,313,936	-	-	-	9,313,936	9,836,617
Supporting Services:								
Management and general	1,961,822	86,568	2,048,390	-	-	-	2,048,390	2,111,196
Fundraising	1,479,175	58,135	1,537,310	-	-	-	1,537,310	1,389,956
Total supporting services	3,440,997	144,703	3,585,700	-	-	-	3,585,700	3,501,152
Total expenses	12,507,467	392,169	12,899,636	-	-	-	12,899,636	13,337,769
<b>Change in net assets before transfers to capital fund</b>	411,537	(392,169)	19,368	(293,000)	1,096,498	803,498	822,866	(3,515,795)
<b>Transfers to capital fund</b>	(8,945)	8,945	-	-	-	-	-	-
<b>Change in net assets</b>	402,592	(383,224)	19,368	(293,000)	1,096,498	803,498	822,866	(3,515,795)
<b>NET ASSETS, beginning of year</b>	2,441,185	13,024,307	15,465,492	968,000	15,808,026	16,776,026	32,241,518	35,757,313
<b>NET ASSETS, end of year</b>	\$ 2,843,777	\$ 12,641,083	\$ 15,484,860	\$ 675,000	\$ 16,904,524	\$ 17,579,524	\$ 33,064,384	\$ 32,241,518

The attached notes and auditor's report are an integral part of these financial statements.

## Committee to Protect Journalists, Inc.

### Statement of Functional Expenses

For the year ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	Program Services			Supporting Services						Total Expenses 12/31/23	Total Expenses 12/31/22
	General Programs	Advocacy and Communications	ERT Programs	Total Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donor	Total Supporting Services			
Salaries	\$ 2,010,413	\$ 860,281	\$ 444,028	\$ 3,314,722	\$ 962,300	\$ 785,829	\$ -	\$ 1,748,129	\$ 5,062,851	\$ 4,413,360	
Payroll taxes and benefits	554,125	186,027	118,294	858,446	299,612	210,703	-	510,315	1,368,761	1,285,135	
Professional fees (including in-kind)	1,835,161	171,621	1,078,886	3,085,668	296,643	94,227	-	390,870	3,476,538	5,047,343	
Occupancy	146,219	54,115	30,471	230,805	77,770	51,192	-	128,962	359,767	263,852	
Travel	305,308	73,899	65,098	444,305	16,688	31,508	-	48,196	492,501	339,142	
Grants	-	-	716,283	716,283	-	-	-	-	716,283	601,209	
Office supplies and maintenance	103,817	57,781	26,880	188,478	81,895	158,322	-	240,217	428,695	235,305	
Telecommunications	56,499	16,653	10,455	83,607	24,411	17,306	-	41,717	125,324	112,495	
Publications, printing and postage	7,236	8,898	1,145	17,279	2,944	68,202	-	71,146	88,425	90,463	
Food, facility and entertainment	-	-	-	-	-	-	560,579	560,579	560,579	604,157	
Insurance	48,408	19,094	9,201	76,703	26,337	17,390	-	43,727	120,430	89,306	
Fees	5,348	10	1,842	7,200	2,235	38,343	-	40,578	47,778	57,050	
Depreciation	156,674	59,908	30,884	247,466	86,568	58,135	-	144,703	392,169	465,546	
Amortization	-	-	-	-	14,895	-	-	14,895	14,895	14,895	
Interest	-	-	-	-	138,465	-	-	138,465	138,465	143,196	
Other	16,666	23,569	2,739	42,974	17,627	6,153	-	23,780	66,754	179,472	
<b>Total expenses</b>	<b>5,245,874</b>	<b>1,531,856</b>	<b>2,536,206</b>	<b>9,313,936</b>	<b>2,048,390</b>	<b>1,537,310</b>	<b>560,579</b>	<b>4,146,279</b>	<b>13,460,215</b>	<b>13,941,926</b>	
Less: cost of direct benefits to donors	-	-	-	-	-	-	(560,579)	(560,579)	(560,579)	(604,157)	
<b>Total expenses for statement of activities</b>	<b>\$ 5,245,874</b>	<b>\$ 1,531,856</b>	<b>\$ 2,536,206</b>	<b>\$ 9,313,936</b>	<b>\$ 2,048,390</b>	<b>\$ 1,537,310</b>	<b>\$ -</b>	<b>\$ 3,585,700</b>	<b>\$ 12,899,636</b>	<b>\$ 13,337,769</b>	

The attached notes and auditor's report are an integral part of these financial statements.

# Committee to Protect Journalists, Inc.

## Statement of Cash Flows

For the year ended December 31, 2023  
(With comparative totals for the year ended December 31, 2022)

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 822,866	\$ (3,515,795)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	392,169	465,546
Amortization	14,895	14,895
Unrealized and realized (gain)/loss on investments	(1,440,994)	2,645,560
Changes in assets and liabilities:		
Prepaid expenses and other assets	(82,910)	153,608
Pledges receivables	(357,017)	1,668,290
Other receivables	373,936	(432,731)
Accounts payable and accrued expenses	(82,994)	6,920
Total adjustments	(1,182,915)	4,522,088
Net cash flows (used for)/provided by operating activities	(360,049)	1,006,293
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(8,945)	(12,755)
Investment income reinvested	(510,004)	(631,242)
Purchase of investments	-	(1,415,000)
Proceeds from sale of investments	859,129	819,304
Net cash flows provided by/(used for) investing activities	340,180	(1,239,693)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans payable	(163,849)	(159,493)
Net cash flows used for financing activities	(163,849)	(159,493)
<b>Net decrease in cash and cash equivalents</b>	<b>(183,718)</b>	<b>(392,893)</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>6,819,000</b>	<b>7,211,893</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 6,635,282</b>	<b>\$ 6,819,000</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	<b>\$ 138,465</b>	<b>\$ 143,196</b>
Taxes paid	<b>\$ -</b>	<b>\$ -</b>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Disposal of fixed assets	<b>\$ -</b>	<b>\$ 61,031</b>

*The attached notes and auditor's report are an integral part of these financial statements.*



# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 1 - Organization

Committee to Protect Journalists, Inc. ("CPJ") is a not-for-profit corporation dedicated to supporting journalists and news organizations across the world who have been subjected to violation of their professional and human rights. The primary sources of revenue are contributions from individuals and foundations.

Major programs of CPJ are as follows:

#### General Programs

CPJ's regional programs cover Africa, North America, South and Central America, Asia, Europe and Central Asia, and the Middle East and North Africa, and are led by experts from all over the world who report daily on press freedom abuses. The programmatic teams speak Arabic, Bulgarian, Chinese, Czech, Farsi, French, German, Hindi, Japanese, Korean, Metta, Portuguese, Russian, Spanish, Thai, Turkish, Urdu, and Uzbek.

#### Advocacy and Communications

CPJ's Advocacy and Communications team works closely with the Program teams and the Editorial department to ensure that CPJ advocacy objectives are achieved. The team conducts campaigns, including calling for imprisoned journalists to be freed and for positive legal reform to be made, and engages with U.S., EU and UN leaders, as well as those from other countries, to promote press freedom.

#### ERT Programs

CPJ's Editorial teams helps the Program teams confront the increasing challenges to journalists worldwide. The Editors work in staggered shifts each day and rotate weekend shifts in order to maximize coverage and produce fresh content. Much of CPJ's reporting which is published in statements, alerts, articles, letters, and reports is translated into six languages and posted on the website.

CPJ is a not-for-profit organization and has been notified by the Internal Revenue Service that they are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

### Note 2 - Summary of Significant Accounting Policies

#### a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

#### b. Basis of Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") ASC 958 *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires CPJ to report information regarding its financial position and activities according to the following specific classes of net assets:

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 2 - Summary of Significant Accounting Policies - Continued

#### b. Basis of Presentation - Continued

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use. They are reflected on the financial statements as without donor restrictions.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

#### c. Revenue Recognition

CPJ follows the requirements of FASB ASC 958-605 for recording contributions, which are deemed unconditional. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. 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. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

CPJ records promises to give as revenue in the period they become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using an interest free discount rate when deemed material.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. Conditional grants that have not been recognized amounted to \$0 and \$250,000 as of December 31, 2023 and December 31, 2022, respectively. These grants are conditioned upon CPJ raising sufficient additional funds from other sources.

Special event revenue is comprised of payments received from third parties to support and/or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods or services rendered, which follows revenue recognition guidance under FASB ASC 606. The amount paid by third parties that is above the value of the goods or services is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

All pledges receivable are assessed for collectability. Based on a review of several factors, including the credit worthiness of the donor and historical experience, CPJ determined there was no reserve required to be established as of December 31, 2023 and 2022.

On January 1, 2023, CPJ adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326). Financial assets, which potentially subject CPJ to credit losses, consist primarily of held-to-maturity marketable securities, contracts receivable and contract assets. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *c. Revenue Recognition - Continued*

Based on the analysis performed on the open accounts receivable aging and detail analysis of the customers, CPJ did not record an allowance for bad debt as of December 31, 2023. The impact of the adoption was not considered material to the financial statements and primarily results in new/enhanced disclosures only.

#### *d. Cash and Cash Equivalents*

All liquid investments that are not restricted or held by the investment custodian and have an initial maturity of three months or less are considered cash and cash equivalents.

#### *e. Concentration of Credit Risk*

Financial instruments, which potentially subject CPJ to a concentration of credit risk consist of cash, money market accounts and investment securities, which have been placed with financial institutions that management deems to be creditworthy. The market value of investments is subject to fluctuation; however, management believes that the investment policy is prudent for the long-term welfare of CPJ. CPJ maintains its cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 each. At year end and at certain times throughout the year, CPJ had uninsured balances; however, no losses have been suffered due to the failure of any of these institutions.

#### *f. Investments*

Investments are recorded at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses and investment fees are included in income on the statement of activities. Investments have been displayed on the statement of financial position based on the purpose for which they are held. (See Note 3 for additional information.)

#### *g. Fixed Assets*

Fixed assets that have a useful life of more than one year and exceed \$5,000, to which CPJ retains title and capital items purchased, which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets are depreciated or amortized over their useful lives and lease terms using the straight-line method.

#### *h. Management Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *i. Functional Allocation of Expenses*

The financial statements contain certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently and equitably applied. The following expenses were allocated based on time and effort:

- Salaries
- Payroll taxes and benefits
- Occupancy
- Travel
- Office supplies and maintenance
- Telecommunications
- Publications, printing and postage
- Insurance
- Fees
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

#### *j. Advertising Costs*

Advertising costs are expensed as incurred.

#### *k. Summarized Comparative Information*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CPJ's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

#### *l. Accounting for Uncertainty of Income Taxes*

CPJ does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

### Note 3 - Investments

Accounting standards establish a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1- Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that CPJ has the ability to access.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 3 - Investments - Continued

Level 2- Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3- Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consist of:

	December 31, 2023			
	Level 1	Level 3	Other (a)	Total
Cash	\$ 1,051,993	\$ -	\$ -	\$ 1,051,993
Equities	974,518	-	-	974,518
Intermediate-term bond	2,651,766	-	-	2,651,766
Equity funds	600,658	-	-	600,658
Exchange traded funds	8,102,423	-	-	8,102,423
Private equity	-	1,724,412	-	1,724,412
Hedge funds	-	-	1,961,589	1,961,589
	-	-	1,961,589	1,961,589
<b>Total</b>	<b>\$ 13,381,358</b>	<b>\$ 1,724,412</b>	<b>\$ 1,961,589</b>	<b>\$ 17,067,359</b>

  

	December 31, 2022			
	Level 1	Level 3	Other (a)	Total
Cash	\$ 1,866,664	\$ -	\$ -	\$ 1,866,664
Equities	790,686	-	-	790,686
Intermediate-term bond	2,484,298	-	-	2,484,298
Equity funds	550,774	-	-	550,774
Exchange traded funds	6,808,894	-	-	6,808,894
Private equity	-	1,648,652	-	1,648,652
Hedge funds	-	-	1,825,521	1,825,521
	-	-	1,825,521	1,825,521
<b>Total</b>	<b>\$ 12,501,316</b>	<b>\$ 1,648,652</b>	<b>\$ 1,825,521</b>	<b>\$ 15,975,489</b>

(a) At December 31, 2023 and 2022, certain funds were invested in hedge funds which are reported at fair value utilizing the net asset values provided by fund managers. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 3 - Investments - Continued

Investments are designated as follows:

	December 31,	
	2023	2022
Long-term endowment	\$ 17,067,359	\$ 15,936,504
Investment holdings	-	38,985
Total investments	<u>\$ 17,067,359</u>	<u>\$ 15,975,489</u>

Net investment return consists of:

	December 31,	
	2023	2022
Interest and dividends	\$ 777,718	\$ 661,782
Unrealized and realized gain/ (loss) on investments	1,440,994	(2,645,560)
Less: investment fees	<u>(61,345)</u>	<u>(73,762)</u>
Total investment return	<u>\$ 2,157,367</u>	<u>\$ (2,057,540)</u>

### Note 4 - Pledges Receivable

Pledges receivable are due to be collected in the following years:

	December 31,	
Year ending:	2023	2022
December 31, 2023	\$ -	\$ 1,419,362
December 31, 2024	1,676,379	-
December 31, 2025	<u>100,000</u>	<u>-</u>
Total pledges receivable	<u>\$ 1,776,379</u>	<u>\$ 1,419,362</u>

Pledges receivable at December 31, 2023 have not been discounted using present value techniques due to the immaterial nature of the discount.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 5 - Fixed Assets

Fixed assets consist of the following:

	December 31,	
	2023	2022
Furniture (5 years)	\$ 298,171	\$ 289,226
Websites (3 years)	464,657	464,657
Database (3 years)	302,996	302,996
Building and improvements (40 years)	13,503,026	13,503,026
	14,568,850	14,559,905
Less: accumulated depreciation	(1,927,767)	(1,535,598)
Total fixed assets, net	\$ 12,641,083	\$ 13,024,307

### Note 6 - Loans Payable

During 2019, CPJ entered into two separate agreements, a \$3,500,000 term loan and a \$1,000,000 line of credit with the same financial institution.

The line of credit accrues interest at the effective prime rate and matures on August 8, 2024. The line of credit was not used in 2023 and the available balance is \$1,000,000 at December 31, 2023. The term loan accrues interest at 8.50%. CPJ did not draw on the line of credit during 2023 and 2022.

CPJ entered into a bond purchase agreement with Build NYC Resource Corporation ("Build NYC") and Boston Private Bank and Trust Company (the "Bank") on March 4, 2021. In connection with this agreement, Build NYC issued Series 21 Revenue Bonds with a par amount of \$5,500,000, which were purchased by the Bank. The bonds were issued at par value. As an inducement to the Bank to purchase the bonds, CPJ entered into a loan agreement with the Bank. While the bonds are not the debt of CPJ, the loan agreement requires CPJ to make payments to the Bank equal to the principal and interest of the bonds. Interest accrues on a monthly basis at a coupon rate of 2.66% and is payable on an annual basis. Interest expense for the years ended December 31, 2023 and 2022 was \$138,465 and \$143,196, respectively.

In connection with the bond issuance, CPJ incurred costs of \$372,387, which are amortized as interest expense over the life of the bonds. Amortization expense for the years ended December 31, 2023 and 2022 was \$14,895.

The proceeds of the bond issuance of \$5,500,000 were received by CPJ and used to purchase the new space. The remaining purchase price of \$7,676,273 was paid directly from CPJ's existing assets. CPJ repaid the outstanding loan balance of \$2,010,126 during 2021.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 6 - Loans Payable - Continued

Minimum principal payments on the loan are as follows:

Year ending:

December 31, 2024	\$ 167,943
December 31, 2025	172,908
December 31, 2026	177,630
December 31, 2027	182,480
December 31, 2028	187,136
Thereafter	<u>4,171,018</u>
Total	5,059,115
Less: unamortized bond issuance costs	<u>(330,184)</u>
Total loans payable, net	<u><u>\$ 4,728,931</u></u>

The bond purchase and loan agreements are secured by the building that the proceeds were used to acquire. Per the terms of the agreement, CPJ is required to meet certain reporting and insurance covenants. As of December 31, 2023, management believes that CPJ is in compliance with all covenants.

### Note 7 - Net Assets with Donor Restrictions

The following summarizes net assets released from restrictions:

	December 31,	
	2023	2022
Restricted for specific purposes:		
Emergencies program	\$ 50,000	\$ 30,000
United States program	200,000	250,000
Total restricted for specific purposes	<u>250,000</u>	<u>280,000</u>
Restricted for time	868,000	2,100,000
Total purpose and time restrictions	<u>1,118,000</u>	<u>2,380,000</u>
Endowment appropriations	<u>797,057</u>	<u>749,999</u>
Total net assets with donor restrictions	<u><u>\$ 1,915,057</u></u>	<u><u>\$ 3,129,999</u></u>



# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 7 - Net Assets with Donor Restrictions - Continued

The following summarizes the nature of net assets with donor restrictions:

	December 31,	
	2023	2022
Restricted for specific purposes:		
Emergencies program	\$ 200,000	\$ 25,000
United States program	-	200,000
Total restricted for specific purposes	200,000	225,000
Restricted for time	475,000	743,000
Total purpose and time restrictions	675,000	968,000
Restricted for endowment		
Endowment funds - corpus	12,500,000	12,500,000
Endowment funds - earnings	4,404,524	3,308,026
Total restricted for endowment	16,904,524	15,808,026
Total net assets with donor restrictions	<u>\$ 17,579,524</u>	<u>\$ 16,776,026</u>

### Note 8 - Investment Held for Endowment

CPJ's endowment consists of four permanently restricted individual funds that are required to be held indefinitely as well as a portion that is board designated. The income from these investments can be used to support general activities. At December 31, 2023, the corpus of these endowments consists of the following:

Knight endowment	\$ 8,000,000
Ford Foundation endowment	1,500,000
Bloomberg endowment	2,000,000
Annenberg endowment	1,000,000
Total endowments	<u>\$ 12,500,000</u>

#### *Interpretation of Relevant Law*

CPJ follows the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Board of Directors of CPJ has interpreted NYPMIFA as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the fair value of the original gift as of the gift date for all donor restricted endowment funds will be preserved. However, under certain circumstances, CPJ has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, CPJ classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditures; therefore, they have been classified in the class of net assets with donor restrictions.

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 8 - Investment Held for Endowment - Continued

#### Spending Policies

In accordance with NYPMIFA, the following factors are considered in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of CPJ's mission and the donor restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources available;
- (7) The investment policies;
- (8) Where appropriate and circumstances would otherwise warrant alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have.

Changes in investments by net asset class were as follows:

	December 31, 2023					
	Without Donor Restrictions	With Donor Restrictions				
		Board	Endowment	Endowment	Total	Total
		Designated	Earnings	Corpus	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 128,478	\$ 3,308,026	\$ 12,500,000	\$ 15,808,026	\$ 15,936,504	
Contributions	34,357	-	-	-	34,357	
Investment return	-	1,893,555	-	1,893,555	1,893,555	
Appropriation for expenditure	-	(797,057)	-	(797,057)	(797,057)	
Endowment net assets, end of year	<u>\$ 162,835</u>	<u>\$ 4,404,524</u>	<u>\$ 12,500,000</u>	<u>\$ 16,904,524</u>	<u>\$ 17,067,359</u>	

	December 31, 2022					
	Without Donor Restrictions	With Donor Restrictions				
		Board	Endowment	Endowment	Total	Total
		Designated	Earnings	Corpus	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 211,978	\$ 6,046,219	\$ 11,085,000	\$ 17,131,219	\$ 17,343,197	
Contributions	-	-	1,415,000	1,415,000	1,415,000	
Investment return	-	(1,988,194)	-	(1,988,194)	(1,988,194)	
Appropriation for expenditure	(83,500)	(749,999)	-	(749,999)	(833,499)	
Endowment net assets, end of year	<u>\$ 128,478</u>	<u>\$ 3,308,026</u>	<u>\$ 12,500,000</u>	<u>\$ 15,808,026</u>	<u>\$ 15,936,504</u>	

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 8 - Investment Held for Endowment - Continued

#### *Endowment Investment Policies*

CPJ has adopted an investment policy for endowment assets that relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A diversified asset allocation is targeted that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### *Funds with Deficiencies*

From time-to-time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or NYPMIFA requires to be retained as a fund of perpetual duration. There were no such deficiencies as of December 31, 2023 and 2022.

### Note 9 - Pension Plan

CPJ sponsors a defined contribution pension plan. All full-time employees with one month of service are eligible to participate. Contributions of 3% are made annually. During 2020, an additional 3% discretionary match was given. Employer contributions totaled \$282,932 and \$228,277 for the years ended December 31, 2023 and 2022, respectively.

### Note 10 - In-kind Contributions

Donated services are recorded if they create or enhance non-financial assets or if the service requires specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions. Board members and other individuals volunteer considerable time and perform a variety of services that assist CPJ. These services have not been recorded in the financial statements because they do not meet the criteria for recognition as outlined above.

During the years ended December 31, 2023 and December 31, 2022, the Organization received donated legal services valued at \$1,110,150 and \$1,836,060, respectively. Legal services are valued at the estimated fair value based on current hourly rates of the legal firm.

In-kind contributions were charged to the following programs and service functions:

	December 31, 2023		
	Management and General		Total
Programs			
Professional fees - legal	\$ 958,944	\$ 151,206	\$ 1,110,150

# Committee to Protect Journalists, Inc.

## Notes to Financial Statements

December 31, 2023

### Note 10 - In-kind Contributions - Continued

	December 31, 2022		
	Programs	Management and General	Total
Professional fees - legal	<u>\$ 1,650,223</u>	<u>\$ 185,837</u>	<u>\$ 1,836,060</u>

### Note 11 - Special Event Income

CPJ hosts an annual fundraising event, the International Press Freedom Awards. The financial summary of the event is as follows:

	December 31,	
	2023	2022
Income	<u>\$ 2,541,539</u>	<u>\$ 1,975,032</u>
Less: expenses with a direct benefit to donors	<u>(560,579)</u>	<u>(604,157)</u>
	1,980,960	1,370,875
Less: other event expenses	<u>(124,537)</u>	<u>(193,926)</u>
Total special event income	<u>\$ 1,856,423</u>	<u>\$ 1,176,949</u>

### Note 12 - Availability and Liquidity

Financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 6,635,282	
Pledges receivable	1,776,379	
Other receivables	<u>58,795</u>	
Total financial assets		\$ 8,470,456
Less amounts not available for general expenditures		
Restricted for specific purposes		(200,000)
Add back:		
Board funds appropriated for spending in the following year		<u>800,000</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$ 9,070,456</u>

CPJ receives significant contributions and promises to give with and without donor restrictions. It considers contributions restricted for programs, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

# **Committee to Protect Journalists, Inc.**

## **Notes to Financial Statements**

**December 31, 2023**

### **Note 12 - Availability and Liquidity - Continued**

For purposes of analyzing resources available to meet general expenditures over a 12-month period, CPJ considers all expenditures related to its ongoing activities, and expenditures related to institutional strengthening, to be general expenditures.

CPJ manages its liquidity and reserves by following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and building a reserve over the next few years to provide reasonable assurance that long-term obligations will be discharged. CPJ forecasts its future cash flows and monitors its liquidity on a quarterly basis.

### **Note 13 - Subsequent Events**

Subsequent events have been evaluated through June 10, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.