

Committee to Project Journalists, Inc.

Audited Financial Statements

December 31, 2024

Committee to Project Journalists, Inc.

Audited Financial Statements

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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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax CPAs LLP

New York, NY
May 21, 2025

Committee to Protect Journalists, Inc.

Statement of Financial Position

At December 31, 2024
(With comparative totals at December 31, 2023)

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 5,020,921	\$ 6,635,282
Pledges receivable	2,813,260	1,776,379
Prepaid expenses and other assets	283,920	154,040
Other receivables	-	58,795
Property and equipment, net	12,320,711	12,641,083
Investments held for long-term endowment	17,922,035	17,067,359
TOTAL ASSETS	<u>\$ 38,360,847</u>	<u>\$ 38,332,938</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 896,969	\$ 539,623
Loans payable, net	4,575,883	4,728,931
Total liabilities	<u>5,472,852</u>	<u>5,268,554</u>
NET ASSETS		
Without donor restrictions	14,363,795	15,484,860
With donor restrictions		
Restricted for specific purposes and time	765,000	675,000
Donor restricted endowment	17,759,200	16,904,524
Total net assets with donor restrictions	<u>18,524,200</u>	<u>17,579,524</u>
Total net assets	<u>32,887,995</u>	<u>33,064,384</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 38,360,847</u>	<u>\$ 38,332,938</u>

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, 2024
(With comparative totals for the year ended December 31, 2023)

	Without Donor Restrictions			With Donor Restrictions			Total 12/31/24	Total 12/31/23
	Operations	Capital	Total	Purpose and Time Restrictions	Donor Restricted Endowment	Total		
PUBLIC SUPPORT AND REVENUE								
Contributions	\$ 8,587,126	\$ -	\$ 8,587,126	\$ 1,030,000	\$ -	\$ 1,030,000	\$ 9,617,126	\$ 8,469,288
Special event (net of expenses with a direct benefit to donor)	1,834,899	-	1,834,899	-	-	-	1,834,899	1,980,960
Investment return	233,843	-	233,843	-	1,782,003	1,782,003	2,015,846	2,157,367
Other income	46,483	-	46,483	-	-	-	46,483	4,737
In-kind contributions	847,142	-	847,142	-	-	-	847,142	1,110,150
Net assets released from restrictions	1,867,327	-	1,867,327	(940,000)	(927,327)	(1,867,327)	-	-
Total public support and revenue	13,416,820	-	13,416,820	90,000	854,676	944,676	14,361,496	13,722,502
EXPENSES								
Program Services	10,363,163	232,150	10,595,313	-	-	-	10,595,313	9,313,936
Supporting Services:								
Management and general	2,314,816	81,989	2,396,805	-	-	-	2,396,805	2,048,390
Fundraising	1,491,795	53,972	1,545,767	-	-	-	1,545,767	1,537,310
Total supporting services	3,806,611	135,961	3,942,572	-	-	-	3,942,572	3,585,700
Total expenses	14,169,774	368,111	14,537,885	-	-	-	14,537,885	12,899,636
Change in net assets before transfers to capital fund	(752,954)	(368,111)	(1,121,065)	90,000	854,676	944,676	(176,389)	822,866
Transfers to capital fund	(47,739)	47,739	-	-	-	-	-	-
Change in net assets	(800,693)	(320,372)	(1,121,065)	90,000	854,676	944,676	(176,389)	822,866
NET ASSETS, beginning of year	2,843,777	12,641,083	15,484,860	675,000	16,904,524	17,579,524	33,064,384	32,241,518
NET ASSETS, end of year	\$ 2,043,084	\$ 12,320,711	\$ 14,363,795	\$ 765,000	\$ 17,759,200	\$ 18,524,200	\$ 32,887,995	\$ 33,064,384

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, 2024
(With comparative totals for the year ended December 31, 2023)

	Program Services				Supporting Services				Total Expenses 12/31/24	Total Expenses 12/31/23
	General Programs	Advocacy and Communications	ERT Programs	Total Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donor	Total Supporting Services		
Salaries	\$ 2,165,739	\$ 1,237,573	\$ 633,798	\$ 4,037,110	\$ 1,090,824	\$ 877,446	\$ -	\$ 1,968,270	\$ 6,005,380	\$ 5,062,851
Payroll taxes and benefits	522,935	327,494	110,372	960,801	346,391	236,760	-	583,151	1,543,952	1,368,761
Professional fees (including in-kind)	2,022,917	217,926	920,178	3,161,021	266,330	137,864	-	404,194	3,565,215	3,476,538
Occupancy	92,262	45,921	23,606	161,789	52,962	36,568	-	89,530	251,319	359,767
Travel	189,361	34,837	52,517	276,715	40,198	24,973	-	65,171	341,886	492,501
Grants	-	-	1,291,904	1,291,904	-	-	-	-	1,291,904	716,283
Office supplies and maintenance	99,388	94,414	40,047	233,849	89,540	46,067	-	135,607	369,456	428,695
Telecommunications	47,917	20,277	11,059	79,253	21,212	14,821	-	36,033	115,286	125,324
Publications, printing and postage	1,616	1,893	1,098	4,607	1,407	38,440	-	39,847	44,454	88,425
Food, facility and entertainment	-	-	-	-	-	-	562,217	562,217	562,217	560,579
Insurance	41,432	24,086	11,828	77,346	30,346	19,343	-	49,689	127,035	120,430
Fees	14,217	3,189	8,424	25,830	1,420	44,142	-	45,562	71,392	47,778
Depreciation	148,285	53,046	30,819	232,150	81,989	53,972	-	135,961	368,111	392,169
Amortization	-	-	-	-	14,895	-	-	14,895	14,895	14,895
Interest	-	-	-	-	134,361	-	-	134,361	134,361	138,465
Bad debt expense	-	-	-	-	200,000	-	-	200,000	200,000	-
Other	23,382	24,712	4,844	52,938	24,930	15,371	-	40,301	93,239	66,754
Total expenses	5,369,451	2,085,368	3,140,494	10,595,313	2,396,805	1,545,767	562,217	4,504,789	15,100,102	13,460,215
Less: cost of direct benefits to donors	-	-	-	-	-	-	(562,217)	(562,217)	(562,217)	(560,579)
Total expenses for statement of activities	\$ 5,369,451	\$ 2,085,368	\$ 3,140,494	\$ 10,595,313	\$ 2,396,805	\$ 1,545,767	\$ -	\$ 3,942,572	\$ 14,537,885	\$ 12,899,636

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, 2024
(With comparative totals for the year ended December 31, 2023)

	December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (176,389)	\$ 822,866
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	368,111	392,169
Amortization	14,895	14,895
Unrealized and realized (gain)/loss on investments	(1,310,189)	(1,440,994)
Changes in assets and liabilities:		
Pledges receivable	(1,036,881)	(357,017)
Prepaid expenses and other assets	(129,880)	(82,910)
Other receivables	58,795	373,936
Accounts payable and accrued expenses	357,346	(82,994)
Total adjustments	(1,677,803)	(1,182,915)
Net cash flows used for operating activities	(1,854,192)	(360,049)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(47,739)	(8,945)
Investment income reinvested	(550,604)	(510,004)
Proceeds from sale of investments	991,222	859,129
Net cash flows provided by investing activities	392,879	340,180
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans payable	(153,048)	(163,849)
Net cash flows used for financing activities	(153,048)	(163,849)
Net decrease in cash and cash equivalents	(1,614,361)	(183,718)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	6,635,282	6,819,000
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 5,020,921	\$ 6,635,282
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 134,361	\$ 138,465
Taxes paid	\$ -	\$ -

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, 2024

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 help 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 and Presentation

The accompanying 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.

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

a. Basis of Accounting and Presentation - Continued

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("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:

- *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.

b. 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.

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, 2024 and 2023. However, the Organization recognized bad debt expense totaling \$200,000 and \$0 for the years ended December 31, 2024 and 2023, respectively, for outstanding pledges that were deemed uncollectible during the year.

Receivables from earned revenue sources are stated at the amount CPJ expects to collect from outstanding balances. Expected credit losses on earned income receivables are estimated based on historical credit loss experience, aging analysis and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that no allowance for credit losses is warranted as there were no earned revenue receivables as of December 31, 2024 and 2023.

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

c. 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.

d. 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.

e. 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.

f. Property and Equipment

Property and equipment 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.

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

g. 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, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

h. 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.

i. Advertising Costs

Advertising costs are expensed as incurred.

j. 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, 2023, from which the summarized information was derived.

k. 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, 2021 and later are subject to examination by applicable taxing authorities.

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

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.

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, 2024			Total
	Level 1	Level 3	Other (a)	
Cash	\$ 474,655	\$ -	\$ -	\$ 474,655
Equities	736,318	-	-	736,318
Equity funds	4,351,978	-	-	4,351,978
Exchange traded funds	8,363,786	-	-	8,363,786
Private equity	-	1,819,223	-	1,819,223
Hedge funds	-	-	2,176,075	2,176,075
	<u>\$ 13,926,737</u>	<u>\$ 1,819,223</u>	<u>\$ 2,176,075</u>	<u>\$ 17,922,035</u>
	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
	<u>\$ 13,381,358</u>	<u>\$ 1,724,412</u>	<u>\$ 1,961,589</u>	<u>\$ 17,067,359</u>

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

Note 3 - Investments - Continued

The fair value of equities, equity funds, exchange traded funds and intermediate-term bonds were determined using Level 1 inputs, which were based on quoted prices in active markets. Management believes the fair value of these investments to be a reasonable approximation of their exit price. The fair values of private equity investments are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of private equity investments as reported by the private equity firm. The fair value of private equity investments is based on the fair value of fund investments as reported by the private equity firm. These are considered Level 3 measurements.

- (a) At December 31, 2024 and 2023, 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.

The following is a reconciliation of the beginning and ending balance of the private equity investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2024 and 2023:

	2024	2023
Beginning Balance	\$ 1,724,412	\$ 1,609,667
Investment return, net	94,811	114,745
Ending Balance	<u>\$ 1,819,223</u>	<u>\$ 1,724,412</u>

Net investment return consists of:

	December	
	2024	2023
Interest and dividends	\$ 771,922	\$ 777,718
Unrealized and realized gain/ (loss) on investments	1,310,189	1,440,994
Less: investment fees	(66,265)	(61,345)
Total investment return	<u>\$ 2,015,846</u>	<u>\$ 2,157,367</u>

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

Note 4 - Pledges Receivable

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

Year ending:	December 31,	
	2024	2023
December 31, 2024	\$ -	\$ 1,676,379
December 31, 2025	2,313,260	100,000
December 31, 2026	250,000	-
December 31, 2027	250,000	-
Total pledges receivable	<u>\$ 2,813,260</u>	<u>\$ 1,776,379</u>

Pledges receivable at December 31, 2024 and 2023 have not been discounted using present value techniques due to the immaterial nature of the discount.

Note 5 - Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2024	2023
Furniture (5 years)	\$ 345,910	\$ 298,171
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
	14,616,589	14,568,850
Less: accumulated depreciation	(2,295,878)	(1,927,767)
Total property and equipment, net	<u>\$ 12,320,711</u>	<u>\$ 12,641,083</u>

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, 2025. The line of credit was not used in 2024 and the available balance is \$1,000,000 at December 31, 2024. The term loan accrues interest at 8.50%.

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, 2024 and 2023 was \$134,361 and \$138,465, respectively.

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

Note 6 - Loans Payable - Continued

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, 2024 and 2023 was \$14,895.

Minimum principal payments on the loan are as follows:

Year ending:		
	December 31, 2025	\$ 172,908
	December 31, 2026	177,630
	December 31, 2027	182,480
	December 31, 2028	187,136
	December 31, 2029	192,572
	Thereafter	<u>3,978,445</u>
Total		4,891,171
Less: unamortized bond issuance costs		<u>(315,288)</u>
Total loans payable, net		<u>\$ 4,575,883</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, 2024, 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,	
	2024	2023
Restricted for specific purposes:		
Emergencies program	\$ 200,000	\$ 50,000
United States program	-	200,000
Total restricted for specific purposes	<u>200,000</u>	<u>250,000</u>
Restricted for time	<u>740,000</u>	<u>868,000</u>
Total purpose and time restrictions	940,000	1,118,000
Endowment appropriations	<u>927,327</u>	<u>797,057</u>
Total net assets with donor restrictions	<u>\$ 1,867,327</u>	<u>\$ 1,915,057</u>

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

Note 7 - Net Assets with Donor Restrictions - Continued

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

	December 31,	
	2024	2023
Restricted for specific purposes:		
Emergencies program	\$ -	\$ 200,000
Total restricted for specific purposes	-	200,000
Restricted for time	765,000	475,000
Total purpose and time restrictions	765,000	675,000
Restricted for endowment		
Endowment funds - corpus	12,500,000	12,500,000
Endowment funds - earnings	5,259,200	4,404,524
Total restricted for endowment	17,759,200	16,904,524
Total net assets with donor restrictions	\$ 18,524,200	\$ 17,579,524

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, 2024, 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	\$ 12,500,000

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, 2024

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, 2024				
	Without Donor Restrictions	With Donor Restrictions			Total
		Board Designated	Endowment Earnings	Endowment Corpus	
Endowment net assets, beginning of year	\$ 162,835	\$ 4,404,524	\$ 12,500,000	\$ 16,904,524	\$ 17,067,359
Contributions	-	-	-	-	-
Investment return	-	1,782,003	-	1,782,003	1,782,003
Appropriation for expenditure	-	(927,327)	-	(927,327)	(927,327)
Endowment net assets, end of year	<u>\$ 162,835</u>	<u>\$ 5,259,200</u>	<u>\$ 12,500,000</u>	<u>\$ 17,759,200</u>	<u>\$ 17,922,035</u>

	December 31, 2023				
	Without Donor Restrictions	With Donor Restrictions			Total
		Board Designated	Endowment Earnings	Endowment Corpus	
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>

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

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, 2024 and 2023.

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 \$314,913 and \$282,932 for the years ended December 31, 2024 and 2023, 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, 2024 and December 31, 2023, the Organization received donated legal services valued at \$847,142 and \$1,110,150, 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, 2024		
	Management and General		
Programs	General	Total	
Professional fees - legal	\$ 699,294	\$ 147,848	\$ 847,142

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

Committee to Protect Journalists, Inc.

Notes to Financial Statements

December 31, 2024

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,	
	2024	2023
Income	\$ 2,397,116	\$ 2,541,539
Less: expenses with a direct benefit to donors	(562,217)	(560,579)
	1,834,899	1,980,960
Less: other event expenses	(128,007)	(124,537)
Total special event income	<u>\$ 1,706,892</u>	<u>\$ 1,856,423</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:

Financial assets at year-end:	
Cash and cash equivalents	\$ 5,020,921
Pledges receivable	2,813,260
Total financial assets	<u>7,834,181</u>
Add: Board funds appropriated for spending in the following year	<u>925,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,759,181</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.

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 May 21, 2025, 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.