

THE GROUNDTRUTH PROJECT, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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**THE GROUNDTRUTH PROJECT, INC.
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The GroundTruth Project, Inc.
Boston, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The GroundTruth Project, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 GroundTruth Project, Inc. as of December 31, 2023 and 2022, 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 GroundTruth Project, Inc. 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 GroundTruth Project, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 GroundTruth Project, Inc.'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 GroundTruth Project, Inc.'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.



CliftonLarsonAllen LLP

Boston, Massachusetts
May 16, 2024

THE GROUNDTRUTH PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,030,535	\$ 2,059,285
Investments	27,182	-
Contributions Receivable, Due in One Year	2,572,390	5,113,178
Other Receivables	579,872	344,477
Host Newsroom Contracts	674,527	882,327
Other Current Assets	86,522	60,066
Total Current Assets	4,971,028	8,459,333
OTHER ASSETS		
Contributions Receivable , Net	1,008,972	873,333
Total Assets	\$ 5,980,000	\$ 9,332,666
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 414,352	\$ 153,871
Funds Designated for Specific Use	253,765	551,333
Other Current Liabilities	227,810	917,856
Total Liabilities	895,927	1,623,060
NET ASSETS		
Without Donor Restrictions	1,005,238	500,995
With Donor Restrictions	4,078,835	7,208,611
Total Net Assets	5,084,073	7,709,606
Total Liabilities and Net Assets	\$ 5,980,000	\$ 9,332,666

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 2,543,383	4,747,238	\$ 7,290,621
Other Revenue	246,724	-	246,724
Contributed Nonfinancial Assets	24,090	-	24,090
Net Assets Released from Restrictions	7,877,014	(7,877,014)	-
Total Revenue, Support, and Gains	10,691,211	(3,129,776)	7,561,435
EXPENSES			
Program Services Expense	8,176,826	-	8,176,826
Management and General	1,281,957	-	1,281,957
Fundraising and Development	728,185	-	728,185
Total Expenses	10,186,968	-	10,186,968
CHANGE IN NET ASSETS	504,243	(3,129,776)	(2,625,533)
Net Assets - Beginning of Year	500,995	7,208,611	7,709,606
NET ASSETS - END OF YEAR	\$ 1,005,238	\$ 4,078,835	\$ 5,084,073

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 1,410,737	\$ 7,346,536	\$ 8,757,273
Other Revenue	347,307	-	347,307
Contributed Nonfinancial Assets	126,438	-	126,438
Net Assets Released from Restrictions	9,966,885	(9,966,885)	-
Total Revenue, Support, and Gains	11,851,367	(2,620,349)	9,231,018
 EXPENSES			
Program Services Expense	10,400,896	-	10,400,896
Management and General	1,827,934	-	1,827,934
Fundraising and Development	562,949	-	562,949
Total Expenses	12,791,779	-	12,791,779
 CHANGE IN NET ASSETS	(940,412)	(2,620,349)	(3,560,761)
Net Assets - Beginning of Year	1,441,407	9,828,960	11,270,367
 NET ASSETS - END OF YEAR	\$ 500,995	\$ 7,208,611	\$ 7,709,606

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising and Development	Total
Salaries and Benefits	\$ 2,645,890	\$ 1,080,831	\$ 565,092	\$ 4,291,813
Fellows and Corps Members	4,545,163	-	-	4,545,163
Contractors and Consultants	315,420	3,862	3,691	322,973
General Operating Expenses	256,302	61,429	46,109	363,840
Travel, Meals, and Entertainment	66,780	16,596	26,398	109,774
Professional Services	312,962	109,178	81,359	503,499
Rent Expense	7,205	263	145	7,613
Insurance Expense	27,104	9,798	5,391	42,293
Total Expenses	<u>\$ 8,176,826</u>	<u>\$ 1,281,957</u>	<u>\$ 728,185</u>	<u>10,186,967</u>

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising and Development	Total
Salaries and Benefits	\$ 3,513,582	\$ 1,373,971	\$ 423,630	\$ 5,311,183
Fellows and Corps Members	5,296,306	-	-	5,296,306
Contractors and Consultants	755,849	50,477	18,262	824,588
General Operating Expenses	380,983	72,390	41,813	495,186
Travel, Meals, and Entertainment	171,497	37,361	34,442	243,300
Professional Services	183,025	258,697	33,634	475,356
Rent Expense	56,535	20,753	6,615	83,903
Depreciation and Amortization	9,620	3,531	1,125	14,276
Insurance Expense	33,499	10,754	3,428	47,681
Total Expenses	<u>\$ 10,400,896</u>	<u>\$ 1,827,934</u>	<u>\$ 562,949</u>	<u>\$ 12,791,779</u>

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,625,533)	\$ (3,560,761)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	-	14,276
Contributed Stock	(27,182)	-
Realized and Unrealized Losses on Investments	-	3,833
Changes in Operating Assets and Liabilities:		
Contributions Receivable	2,405,149	2,496,250
Other Receivables	(235,395)	(344,477)
Host News Room Contracts	207,800	(83,320)
Other Current Assets	(26,456)	31,392
Accounts Payable	260,481	62,028
Funds Designated for Specific Use	(297,568)	(468,267)
Other Current Liabilities	(690,046)	321,831
Net Cash Used by Operating Activities	(1,028,750)	(1,527,215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	-	16,381
Net Cash Provided by Investing Activities	-	16,381
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,028,750)	(1,510,834)
Cash and Cash Equivalents - Beginning of Year	2,059,285	3,570,119
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,030,535	\$ 2,059,285

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 ORGANIZATION AND PURPOSE

The GroundTruth Project, Inc. (the Organization, or GroundTruth), a nonprofit corporation, was founded to serve under-covered communities by supporting the next generation of journalists to do on-the-ground reporting and to advance sustainability, innovation and equity in journalism worldwide.

Upon its incorporation on August 8, 2012, the Organization initially supported more than 300 emerging journalists through its global reporting fellowships across more than 30 countries. In 2017, GroundTruth launched its flagship service program Report for America which has placed more than 600 journalists in nearly 340 newsrooms across the United States and its territories. In 2021, GroundTruth launched Report for the World, which has supported 45 journalists, based in 32 newsrooms, across 20 countries. The Organization provides training, mentorship and salary support to its corps members and builds partnerships to amplify their reporting through various mediums. Additionally, it promotes media literacy through youth-focused service projects in which corps members have volunteered more than 37,000 hours reaching 13,000 students.

In 2023, The GroundTruth Project, Inc. expended over 80% of its funding on programmatic expenses. Within those programmatic expenses, over 55% of those costs directly supported Fellows and Corps Members. In addition, The GroundTruth Project, Inc. incurred 32% of its programmatic expenses from staff and contractors who support those program participants by interviewing and matching those Fellows and Corps Members to the right Host News Organizations, training, and mentoring them, creating and maintaining program infrastructure, and fundraising in the communities where Fellows and Corps Members work in order to ensure they have a successful educational and journalistic experience.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Display of Net Assets by Class

Net assets, revenues, and support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resources was restricted has been fulfilled, or both. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintain in perpetuity. For the years-ended December 31, 2023 and 2022, there were no net assets with donor restrictions maintained in perpetuity.

Subsequent Events

Subsequent events have been evaluated through May 16, 2024, which is the date that the financial statements are available to be issued.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are not restricted by donors for long-term purposes, to be cash and cash equivalents.

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. The Organization establishes an allowance for uncollectible contributions receivable based upon its assessment of the status of individual receivables. As of December 31, 2023 and 2022, the Organization considers all contributions receivable to be fully collectible. Accordingly, no allowance has been established. All of the Organization's contributions receivable are unconditional.

Other Receivables

Other receivables primarily consist of amounts due related to employee retention credits (Note 14). For other receivables, an estimated allowance for credit loss is recorded to the extent it is probable that a portion or all of a particular account will not be collected. In evaluating the collectability of other receivables, the Organization considers a number of factors, including payment trends, age of the accounts and the status of ongoing disputes with third-parties. Actual collections in subsequent periods may require changes in the estimated allowance for credit losses. Changes in these estimates are charged or credited to revenue as a contractual allowance in the period of the change in estimate.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Funds Designated for Specific Use

Host newsrooms participating in the Report for America corps program may raise their own funding for their News Corps members. The Organization receives locally raised funds, which is reflected as a liability until it is disbursed to the newsrooms.

Property and Equipment

Property and equipment are recorded at cost. Assets having a useful life of at least one year are capitalized if the total cost is over \$2,000. Donated property is recorded at its estimated fair value at the date of receipt. Gifts of long-lived assets are recorded at their fair market value at the date of donation and reported as unrestricted support unless explicit donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Equipment	3 Years
Website	3 Years

Revenue and Revenue Recognition

The Organization receives grants and contributions from various donors and grantors, including other nonprofit organizations, which are recorded as increases in assets without donor restrictions or assets with donor restrictions, depending on the existence of any donor restrictions. Grants and contributions are considered to be available for use unless specifically restricted by the donor or grantor.

All donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

Expenses directly attributable to the Organization's programs are recorded as program expenses. Salaries and benefits are allocated to program, management, and general, and fundraising expense based on actual hours spent as reported on employees' timesheets. Indirect costs, such as rent, professional and consulting services, depreciation expense, and certain office expenses are allocated based on pro-rata share of salaries for each function.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Income Taxes

The GroundTruth Project, Inc. is exempt from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code (IRS) and, as a corporation organized under Chapter 180 of the General Law of the Commonwealth of Massachusetts, it is also exempt from income tax in Massachusetts. Accordingly, no provisions for federal and state income taxes have been made.

Adoption of New Accounting Standard

At the beginning of 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of the Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs. The Organization also has access to a line of credit to supplement cash flows as needed, as described in Note 7.

The Organization's sources of liquidity include cash and cash equivalents and contributions receivable. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities to be general expenditures.

Total financial assets held by the Organization as of December 31:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 1,030,535	\$ 2,059,285
Contributions Receivable Within One Year	<u>2,572,390</u>	<u>5,113,178</u>
Subtotal	3,602,925	7,172,463
Less Funds Designated for Specific Use Included in Cash and Cash Equivalents	<u>(253,765)</u>	<u>(551,333)</u>
Total	<u><u>\$ 3,349,160</u></u>	<u><u>\$ 6,621,130</u></u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable are due as follows at December 31:

	<u>2023</u>	<u>2022</u>
Within One Year	\$ 2,572,390	\$ 5,113,178
In One to Five Years	<u>1,065,335</u>	<u>873,333</u>
Subtotal	3,637,725	5,986,511
Discount on Pledges Receivable:	<u>(56,363)</u>	-
Total	<u><u>\$ 3,581,362</u></u>	<u><u>\$ 5,986,511</u></u>

NOTE 5 INVESTMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. There were no such assets or liabilities at December 31, 2022. The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments at Fair Value				
Equities	\$ 27,182	\$ 27,182	\$ -	\$ -
Total Investments at Fair Value	<u><u>\$ 27,182</u></u>	<u><u>\$ 27,182</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

During 2023, realized gains on investments totaled \$508 and dividend income of \$6, which are included in Other Income. During 2022, realized losses on investments totaled \$3,833.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6 HOST NEWSROOMS CONTRACTS AND COMMITMENTS

In connection with the Organization's mission, the Organization provides grants to host newsrooms to support Report for America and Report for the World corps members at those newsrooms. As of December 31, 2023 and 2022, the Organization had prepayments on those contracts totaling \$674,527 and \$882,327, respectively.

The Organization is committed to funding current corps members under those contracts through May 31, 2024, with expected payments to approximate \$-0-.

NOTE 7 LINE OF CREDIT

On September 27, 2019, the Organization entered into a line of credit agreement with a bank that renews annually, currently expiring in December 2024. The line of credit's available balance was \$1,250,000 with an interest rate of BSBY Daily Floating Rate plus 3.15% (8.46%) as of December 31, 2023 and was \$1,000,000 as of December 2022 with an interest rate of BSBY Daily Floating Rate plus 3.00% (7.34%) and is collateralized by the Organization's assets.

NOTE 8 CONCENTRATION OF CREDIT RISK

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members foundations, and other grantors supportive of the Organization's mission. For the year ended December 31, 2023, three donors accounted for 57% of total contributions receivable. Three donors accounted for approximately 47% of total contribution revenue for the year ended December 31, 2023. For the year ended December 31, 2022, four donors accounted for 58% of total contributions receivable. Three donors accounted for approximately 33% of total contribution revenue for the year ended December 31, 2022.

NOTE 9 LEASES

The Organization leased office space under a short-term arrangement. The Organization leased office space in Woods Hole, MA at a rate of \$500 per month on an at-will basis. Lease expense for the above lease totaled \$7,613 and \$40,192 for the years ended December 31, 2023 and 2022, respectively. In addition, the Organization recorded lease expense related to donated office space in Boston, Massachusetts totaling \$43,710, as described in Note 11, for the year ended December 31, 2022. The Organization no longer occupies the office space beginning in 2023.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions not invested in perpetuity are available for the following purposes at December 31:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Program Purposes	<u>\$ 3,345,502</u>	<u>\$ 5,741,944</u>
Total	<u>3,345,502</u>	<u>5,741,944</u>
Subject to the Passage of Time		
Promises to Give that are not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>733,333</u>	<u>1,466,667</u>
Total	<u>733,333</u>	<u>1,466,667</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 4,078,835</u></u>	<u><u>\$ 7,208,611</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Expiration of Time Restrictions	<u>\$ 1,466,667</u>	<u>\$ 500,000</u>
Satisfaction of Purpose Restrictions		
Capacity Building and Overhead	1,361,005	248,624
Editorial	413,994	40,470
Rebuild Local News Initiative	-	477,498
Report for the World	611,539	439,478
Report for America	<u>4,023,809</u>	<u>8,260,815</u>
Total Net Assets Released from Donor Restrictions	<u><u>\$ 7,877,014</u></u>	<u><u>\$ 9,966,885</u></u>

NOTE 11 DONATED PROFESSIONAL SERVICES AND GOODS

The Organization received the following donated professional services and goods during the years ended December 31 without donor restrictions, which were utilized in the following functions:

	<u>December 31, 2023</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>
	<u>Total</u>		
Legal Services	<u>\$ 15,263</u>	<u>\$ 5,694</u>	<u>\$ 3,133</u>
Total	<u><u>\$ 15,263</u></u>	<u><u>\$ 5,694</u></u>	<u><u>\$ 3,133</u></u>

**THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 11 DONATED PROFESSIONAL SERVICES AND GOODS (CONTINUED)

	December 31, 2022			Total
	Program Services	Management and General	Fundraising and Development	
Rent	\$ 29,453	\$ 10,811	\$ 3,446	\$ 43,710
Legal Services	28,781	24,800	3,368	56,949
Corps Members	25,779	-	-	25,779
Total	\$ 84,013	\$ 35,611	\$ 6,814	\$ 126,438

The Organization utilized the following valuation techniques in determining the fair value of the donated goods and services noted above:

Rent

Based on the estimated fair value on the basis of comparable rental prices in the Boston area to determine the market value of space donated for use.

Legal Services

Based on the hourly rate of the professionals providing such services.

Corps Members

Based on the amount paid by a third-party to the corps members for their time spent on the Organization's program.

NOTE 12 EMPLOYEE BENEFIT PLAN

The Organization sponsors a retirement plan (the Plan) qualified under Internal Revenue Code Section 403(b) that allows eligible employees to make elective contributions to the Plan, up to the maximum contribution allowed by law. Employer contributions are discretionary and are determined and authorized by the board of directors each plan year. During the year ended December 31, 2023, a contribution of \$31,103 was approved and accrued. During the year ended December 31, 2022, a contribution of \$45,922 was approved and accrued.

NOTE 13 RELATED PARTY TRANSACTIONS

During 2022, the Organization received a \$1,000,000 unconditional contribution from this director, of which \$333,333 and \$666,667 was included in contributions receivable at December 31, 2023 and 2022, respectively.

The Organization received in-kind legal services from a director totaling \$24,090 and \$56,949 for the years ended December 31, 2023 and 2022, respectively.

The chief executive officer of The GroundTruth Project, Inc. and the president of Report for America, who receive compensation and benefits for their services, also served on the board of directors during 2023 and 2022.

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NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

In 2023 and 2022, there were \$106,150 and \$15,000 in contributions received from board members of which were fully collected in the years ended December 31, 2023 or 2022, respectively.

NOTE 14 EMPLOYEE RETENTION CREDITS

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. The Employee Retention Credit (ERC) was introduced as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was signed into law on March 27, 2020. The ERC is a refundable tax credit against certain wages paid by an eligible employer. The Organization complied with the conditions of ERC funding and received income of \$235,395 and \$342,339 during 2023 and 2022, which is included other revenue and other receivable for the years ended December 31, 2023 and 2022, respectively.



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