

AMERICAN JOURNALISM PROJECT, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

For the Years Ended December 31, 2022 and 2021

AMERICAN JOURNALISM PROJECT, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

DECEMBER 31, 2022 AND 2021

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Board of Directors of
American Journalism Project, Inc.

Opinion

We have audited the statements of financial position of American Journalism Project, Inc. (AJP) as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 AJP as of December 31, 2022 and 2021, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of AJP and to meet our 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 controls 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 AJP's ability to continue as a going concern for one year after the date the financial statements are available for issuance.



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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 controls. 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 controls 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 AJP's internal controls. 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 AJP's ability to continue as a going concern for one year after the issuance date or the date that the financial statements are available for issuance.

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 controls-related matters that we identified during the audit.

Washington, D.C.
September 29, 2023

SB & Company, LLC

AMERICAN JOURNALISM PROJECT, INC.

Statements of Financial Position
As of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 3,810,998	\$ 11,222,772
Investments	23,393,993	9,986,633
Contributions and grants receivable, net	27,682,901	9,644,320
Prepaid expenses and other assets	9,192	20,559
Website, net	93,921	142,917
Total Assets	<u>\$ 54,991,005</u>	<u>\$ 31,017,201</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 2,180,838	\$ 133,078
Accrued expenses	232,813	155,230
Total Liabilities	<u>2,413,651</u>	<u>288,308</u>
Net Assets		
Without donor restrictions	21,134,813	16,964,059
With donor restrictions	31,442,541	13,764,834
Total Net Assets	<u>52,577,354</u>	<u>30,728,893</u>
Total Liabilities and Net Assets	<u>\$ 54,991,005</u>	<u>\$ 31,017,201</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JOURNALISM PROJECT, INC.

**Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Other Support		
Contributions and grants	\$ 17,231,518	\$ 12,614,620
Consulting and other income	123	303,365
Investment losses	(91,575)	(12,096)
Net assets released from restrictions	7,675,969	616,794
Total Revenue and Other Support	<u>24,816,035</u>	<u>13,522,683</u>
Expenses		
Program	18,676,033	11,133,666
Management and general	1,278,526	1,038,859
Fundraising	690,722	638,905
Total Expenses	<u>20,645,281</u>	<u>12,811,430</u>
Change in Net Assets Without Donor Restrictions	<u>4,170,754</u>	<u>711,253</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	25,353,676	12,156,628
Net assets released from restrictions	(7,675,969)	(616,794)
Change in Net Assets With Donor Restrictions	<u>17,677,707</u>	<u>11,539,834</u>
Changes in total net assets	21,848,461	12,251,087
Net assets, beginning of year	30,728,893	18,477,806
Net Assets, End of Year	<u>\$ 52,577,354</u>	<u>\$ 30,728,893</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JOURNALISM PROJECT, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2022, with Comparative 2021 Totals

	2022								
	Program Services					Management and General	Fundraising	Total	2021 Totals
	Grantmaking	Grantee Support	Startups	Fiscally Sponsored Projects	Total Program Services				
Salaries and related benefits	\$ 312,246	\$ 1,124,252	\$ 878,119	\$ 499,429	\$ 2,814,046	\$ 734,809	\$ 615,155	\$ 4,164,010	\$ 3,081,674
Grants	10,626,241	185,400	-	3,309,610	14,121,251	-	-	14,121,251	8,296,915
Professional fees	13,836	327,825	462,883	382,067	1,186,611	359,803	25,873	1,572,287	1,272,959
Dues and subscriptions	2,866	20,548	1,372	12,215	37,001	68,126	12,145	117,272	34,730
Travel	648	57,591	72,056	10,066	140,361	33,465	24,495	198,321	31,676
Marketing	342	2,334	4,403	145,748	152,827	16,800	2,092	171,719	21,418
Loss on disposal of asset	-	-	-	-	-	-	-	-	17,943
Amortization	-	-	-	-	-	48,996	-	48,996	16,895
Non-capital equipment	328	1,135	1,506	13,440	16,409	3,433	693	20,535	6,284
Occupancy	24	3,799	17,718	39,451	60,992	4,465	5,432	70,889	12,779
Office supplies	359	6,952	1,708	10,067	19,086	4,994	1,782	25,862	6,689
Telephone and communication	363	1,304	1,000	84	2,751	851	1,259	4,861	5,257
Events	58	120,814	157	-	121,029	433	159	121,621	3,212
Other	196	974	2,144	355	3,669	2,351	1,637	7,657	2,999
Total Expenses	\$ 10,957,507	\$ 1,852,928	\$ 1,443,066	\$ 4,422,532	\$ 18,676,033	\$ 1,278,526	\$ 690,722	\$ 20,645,281	\$ 12,811,430

The accompanying notes are an integral part of this financial statement.

AMERICAN JOURNALISM PROJECT, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services				Management and General	Fundraising	Total
	Grantmaking	Grantee Support	Startups	Total Programs			
Salaries and related benefits	\$ 272,653	\$ 1,085,533	\$ 547,284	\$ 1,905,470	\$ 614,144	\$ 562,060	\$ 3,081,674
Grants	8,296,915	-	-	8,296,915	-	-	8,296,915
Professional fees	77,012	282,571	492,892	852,475	366,473	54,011	1,272,959
Dues and subscriptions	945	21,489	3,116	25,550	813	8,367	34,730
Travel	165	13,617	8,606	22,388	2,727	6,561	31,676
Marketing	104	5,445	3,997	9,546	11,393	479	21,418
Loss on disposal of asset	-	-	-	-	17,943	-	17,943
Amortization	-	-	-	-	16,895	-	16,895
Non-capital equipment	503	3,099	257	3,859	1,344	1,081	6,284
Occupancy	341	8,839	166	9,346	660	2,773	12,779
Office supplies	448	2,416	903	3,767	1,895	1,027	6,689
Telephone and communication	403	2,296	300	2,999	1,011	1,247	5,257
Events	-	-	372	372	2,840	-	3,212
Other	80	402	497	979	721	1,299	2,999
Total Expenses	\$ 8,649,569	\$ 1,425,707	\$ 1,058,390	\$ 11,133,666	\$ 1,038,859	\$ 638,905	\$ 12,811,430

The accompanying notes are an integral part of this financial statement.

AMERICAN JOURNALISM PROJECT, INC.

**Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 21,848,461	\$ 12,251,087
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Amortization	48,996	16,895
Loss on disposal	-	17,943
Reinvested interest and dividends	(227,120)	(26,958)
Unrealized (gains)/losses on investments	(81,882)	40,977
Realized losses/(gains) on investments	401,053	(1,923)
Effects of changes in non-cash operating assets and liabilities:		
Contributions and grants receivable, net	(18,038,581)	(7,485,720)
Prepaid expenses and other assets	11,367	(12,626)
Accounts payable	2,047,760	90,521
Accrued expenses	77,583	87,147
Net Cash from Operating Activities	<u>6,087,637</u>	<u>4,977,343</u>
Cash Flows from Investing Activities		
Website development	-	(101,000)
Sale of investments	39,982,993	71,456
Purchase of investments	(53,482,404)	(10,070,185)
Net Cash from Investing Activities	<u>(13,499,411)</u>	<u>(10,099,729)</u>
Net change in cash	(7,411,774)	(5,122,386)
Cash, beginning of year	11,222,772	16,345,158
Cash, End of Year	<u>\$ 3,810,998</u>	<u>\$ 11,222,772</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

1. BACKGROUND OF THE ORGANIZATION

The American Journalism Project, Inc. (AJP) is a first-of-its-kind venture philanthropy dedicated to building and supporting local news across the country. American Journalism Project makes grants to nonprofit news organizations, partners with communities to launch new organizations, and coaches leaders as they grow and sustain their newsrooms. American Journalism Project pairs financial investment with capacity-building venture support, making transformative investments in the business and operational capacity of local news organizations to grow and scale sustainably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of AJP are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

Cash

AJP maintains its cash in a bank deposit account which, at times, may exceed Federally insured limits. The Federal Deposit Insurance Corporation (FDIC) guarantees accounts up to \$250,000 per depositor per institution. As of December 31, 2022 and 2021, AJP had \$3,422,396 and \$10,942,874, respectively, in excess of FDIC insured limits. AJP has not experienced any losses in their bank deposit account.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Accounting standards generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles (GAAP) are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AJP has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments consist of cash and cash equivalents, investments, receivables, and payables. The carrying value of AJP's financial instruments in the accompanying statements of financial position approximates their respective fair values as of December 31, 2022 and 2021. Fair values are estimated based on current market rates, prices, or liquidation value.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and Grants Receivable, Net

Contributions and grants receivable represent unconditional promises to give from various individuals, grantors, and foundations.

Contributions and grants receivable are recorded at the contributed amount less a discount for those contributions expected to be collected over a period greater than one year. The unamortized discount is accreted into contribution and grant revenue in the future. The discount rate used 3.99% for the year ended December 31, 2022. There was no discount recorded for the year ended December 31, 2021.

AJP records an allowance for doubtful accounts, if needed, equal to estimated losses that will be incurred in the collection of receivables. The estimate of an allowance for bad debt is based on historical collection experience and a review of the current status of specific contributions and grant receivables. No allowance for doubtful accounts was recorded as of December 31, 2022 and 2021, as management deemed all accounts receivable to be fully collectible. AJP records all receivables at their estimated net realizable value.

Website, Net

Equipment and software development and/or purchases in excess of \$5,000 with an estimated useful life of at least one year or more are capitalized at cost. The website development cost is being amortized using the straight-line method over three years. Expenditures for major repairs and improvements are capitalized, and expenditures for minor repairs and maintenance are expensed as incurred.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by AJP has been limited by donors, primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

AJP recognizes contributions and grants when an unconditional promise to give is received. Conditional promises to give, with measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

Contributions and grants received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

Consulting income is recognized when earned. Management has a process whereby it (1) identifies the contracts with a customer; (2) identifies the performance obligations in the contract; (3) determines the transaction price; (4) allocates the transaction price to the performance obligations in the contract; and (5) recognizes revenue when (or as) AJP satisfies these performance obligations.

Unrealized and realized gains and losses, dividends, and interest from investing activities in income producing assets are included in the applicable net asset classification depending on donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fundraising services that benefit from those costs. Direct salaries and wages are considered a representative measure of the organizational effort applied to joint objectives and serve as the basis for allocation of shared expenses. Management and general expenses include those expenses that are not directly identified with any other specific function but to provide for the overall support and direction of AJP.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

AJP is a not-for-profit organization that is exempt from Federal income taxes, other than net unrelated business income taxes, under the provisions of Section 501(c)(3) of the United States Internal Revenue Code and is recognized as such by the Internal Revenue Service.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. AJP performed an evaluation of uncertain tax positions as of December 31, 2022 and 2021, and determined there were no matters that would require recognition in the accompanying financial statements or which may have any effect on its tax-exempt status.

As of December 31, 2022, the statute of limitations for fiscal years 2019 through 2022 remains open with the U.S. Federal jurisdiction or the various state and local jurisdictions in which AJP files tax returns. It is AJP's policy to recognize interest and/or penalties related to uncertain tax positions, if any, as income tax expense in the statements of activities and changes in net assets.

Liquidity and Availability of Resources

The following reflects AJP's financial assets as of December 31, 2022 and 2021, reduced by the amounts not available for general use within one year because of donor-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,810,998	\$ 11,222,772
Investments	23,393,993	9,986,633
Contributions and grants receivable, net	<u>27,682,901</u>	<u>9,644,320</u>
Financial assets, at year-end	54,887,892	30,853,725
Less: those unavailable for general expenditures within one year, due to:		
Donor restrictions - time	14,032,136	2,500,000
Donor restrictions - purpose	5,227,541	7,764,834
Financial Assets Available To Meet Cash Needs for General Expenses Within One Year	<u>\$ 35,628,215</u>	<u>\$ 20,588,891</u>

AJP manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability, and maintaining access to adequate liquid assets to fund near-term operating needs.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

AJP's management has evaluated the accompanying financial statements for subsequent events and transactions through September 29, 2023, the date these financial statements were available for issue, and have determined that that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. INVESTMENTS

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

Certificates of deposit: Valued at cost plus accrued interest.

Fixed income funds: Valued at fair value using quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while AJP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, the fair value hierarchy of AJP's investments at fair value as of December 31, 2022 and 2021:

	2022			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000
Fixed income funds	11,393,993	-	-	11,393,993
	<u>\$ 23,393,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,393,993</u>

	2021			
	Level 1	Level 2	Level 3	Total
Fixed income funds	\$ 9,986,633	\$ -	\$ -	\$ 9,986,633

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

3. INVESTMENTS (continued)

Investment income for the years ended December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 227,596	\$ 26,958
Realized and unrealized losses, net	<u>(319,171)</u>	<u>(39,054)</u>
Investment Losses, Net	<u>\$ (91,575)</u>	<u>\$ (12,096)</u>

4. CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

As of December 31, 2022 and 2021, contributions and grants receivable included the following unconditional promises to give:

	<u>2022</u>	<u>2021</u>
Contributions and grants due in:		
Less than one year	\$ 13,650,765	\$ 7,201,820
One to five years	<u>14,880,000</u>	<u>2,442,500</u>
Total contributions and grants receivable	<u>28,530,765</u>	<u>9,644,320</u>
Less: Discount at 3.99%	<u>847,864</u>	-
Contributions and Grants Receivable, Net	<u>\$ 27,682,901</u>	<u>\$ 9,644,320</u>

5. WEBSITE, NET

As of December 31, 2022 and 2021, the website balance consisted of the following:

	<u>2022</u>	<u>2021</u>	<u>Useful Life</u>
Website	\$ 147,000	\$ 147,000	3 years
Less: accumulated amortization	<u>53,079</u>	<u>4,083</u>	
Website, Net	<u>\$ 93,921</u>	<u>\$ 142,917</u>	

For the years ended December 31, 2022 and 2021, amortization expense was \$48,996 and \$16,895, respectively. For the year ended December 31, 2021, amortization expense of \$12,812 was associated with the historical website that was disposed of in 2021.

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

6. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022 and 2021, net assets with donor restrictions were comprised of the following:

	<u>2022</u>	<u>2021</u>
Purpose restricted	\$ 5,227,541	\$ 7,764,834
Time restricted	26,215,000	6,000,000
Total	\$ 31,442,541	\$ 13,764,834

7. RETIREMENT PLAN

AJP contributes to a defined contribution plan under IRC Section 401(k). The plan covers all employees who meet the eligibility requirements. Employees are eligible to make contributions at age 21 and after two months of employment. AJP matches 100% of the participating employee's elective deferral up to 4% for each participating employee. Employees are immediately fully invested in these contributions. Contributions for the years ended December 31, 2022 and 2021, totaled \$91,186 and \$72,304, respectively.

8. COMMITMENTS

Conditional Grants to Grantees

Grants expense in the accompanying statements of functional expenses consists of unconditional grant payments. The grants awarded to grantees are structured with both unconditional and conditional payments. Unconditional grant payments are expensed as of effective date of the grant agreement and in accordance with the payment terms in the grant agreement. Remaining payments, subject to the grantee meeting specific conditions, are not expensed until the condition(s) of the grant are met.

The following table represents total remaining conditional grant payments committed to grantees as of December 31, 2022, to be expensed and paid in the future as conditions are met. AJP will continue to make additional future commitments to grantees beyond these amounts:

<u>Committed grants for the years ended December 31:</u>	<u>Amount</u>
2023	\$ 7,942,300
2024	2,200,000
2025	400,000
Total Committed Grants Remaining	\$ 10,542,300

AMERICAN JOURNALISM PROJECT, INC.

Notes to the Financial Statements December 31, 2022 and 2021

8. COMMITMENTS (continued)

Conditional Revenue

As of December 31, 2022, AJP had received conditional grants from grantors totaling \$25,750,000. These conditional grants have not yet been recorded as revenue as they are conditional upon securing fundraising targets to advance the purpose of the grants. These conditional grants are considered commitments and these commitments will be recorded as revenue once the conditions of the grants are satisfied.

9. CONCENTRATION OF REVENUE

AJP has recorded contributions from individual donors during the years ended December 31, 2022 and 2021, that each accounted for more than 10% of total revenue for the respective year. These contributions largely represent multi-year grants and consistent with generally accepted accounting principles, the full grant amount is recorded as revenue in the fiscal year in which notification of the award is made. For the year ending December 31, 2022, AJP recorded two such contributions totaling \$23,000,000. The aggregate receivable balance as of December 31, 2022, for these contributions was \$18,000,000. For the year ending December 31, 2021, AJP recorded four such contributions totaling \$14,400,000. The aggregate receivable balance as of December 31, 2021, for these contributions was \$7,987,400.