THE LENFEST INSTITUTE FOR JOURNALISM, LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Lenfest Institute for Journalism, LLC, which comprise the statements of financial position as of December 31, 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 Lenfest Institute for Journalism, LLC 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 Lenfest Institute for Journalism, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Lenfest Institute for Journalism, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lenfest Institute for Journalism, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
June 13, 2024

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 21,383,695	$ 11,546,758
Contributions Receivable, Net	6,839,545	2,736,998
Prepaid Expenses and Other Assets	32,176	29,810
Total	28,255,416	14,313,566
Endowment Investments		
Cash Equivalents	8,000,077	-
Mutual Funds:		
Equity Funds	40,688,941	35,378,513
Fixed Income Funds	14,606,399	23,856,205
Other	13,858,614	13,858,614
Total Endowment Investments	77,154,031	73,093,332
Non-Endowment Investments		
Cash Equivalents	2,743,379	5,066,960
Mutual Funds:		
Fixed Income Funds	15,560,093	14,795,010
Total Non-Endowment Investments	18,303,472	19,861,970
Total Investments	95,457,503	92,955,302
Right of Use Asset, Net	714,114	-
Property and Equipment, Net	100,904	11,267
Total Assets	$ 124,527,937	$ 107,280,135
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 1,432,854	$ 1,242,439
Grants Payable	1,628,754	3,383,119
Lease Liability, Short Term	49,383	-
Lease Liability, Long Term	677,108	-
Total Liabilities	3,788,099	4,625,558
NET ASSETS		
Without Donor Restrictions	32,301,963	23,218,247
With Donor Restrictions	88,437,875	79,436,330
Total Net Assets	120,739,838	102,654,577
Total Liabilities and Net Assets	$ 124,527,937	$ 107,280,135

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Gifts and Grants	$ 602,115	$ 10,840,731	$ 11,442,846
Bequest	28,319,242	-	28,319,242
Investment Income, Net	358,677	1,226,275	1,584,952
Net Unrealized and Realized Investment Losses	(101,514)	(11,956,803)	(12,058,317)
Other Income	70,816	5,000	75,816
Subtotal	29,249,336	115,203	29,364,539
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	13,231,279	(13,231,279)	-
Total Revenue and Support	42,480,615	(13,116,076)	29,364,539
EXPENSES			
Program Expenses:			
Grants	15,908,568	-	15,908,568
Other Program Expenses	3,302,437	-	3,302,437
Fundraising and Advancement	1,307,263	-	1,307,263
General and Administrative	945,087	-	945,087
Total Expenses	21,463,355	-	21,463,355
CHANGE IN NET ASSETS	21,017,260	(13,116,076)	7,901,184
Net Assets - Beginning of Year	2,200,987	92,552,406	94,753,393
NET ASSETS - END OF YEAR	$ 23,218,247	$ 79,436,330	$ 102,654,577

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

		Support Services			
	Program Services	Management and General	Fundraising	Total	Total
Grants	$ 15,908,568	$ -	$ -	$ -	$ 15,908,568
Salaries	1,120,956	449,129	852,496	1,301,625	2,422,581
Benefits	131,549	71,409	130,597	202,006	333,555
Taxes	72,592	28,812	45,017	73,829	146,421
Accounting Fees	-	58,728	-	58,728	58,728
Bank Fees	21,713	12,818	705	13,523	35,236
Computer Expense	63,743	26,763	33,050	59,813	123,556
Conferences, Conventions, and Meetings	243,005	18,175	34,840	53,015	296,020
Consultants	1,353,949	107,303	111,796	219,099	1,573,048
Depreciation	847	659	908	1,567	2,414
Legal Fees	3,031	87,737	1,372	89,109	92,140
Liability Insurance	2,571	28,982	2,354	31,336	33,907
Membership Dues	10,760	3,247	7,081	10,328	21,088
Occupancy	26,367	20,508	28,245	48,753	75,120
Office Supplies	903	939	2,175	3,114	4,017
Other Program Expenses	130,346	19	26	45	130,391
Postage and Shipping	2,180	370	3,575	3,945	6,125
Printing and Publications	9,940	4,953	10,196	15,149	25,089
Public Relations	16,855	3,444	6,859	10,303	27,158
Travel	91,130	21,092	35,971	57,063	148,193
Total Expenses	$ 19,211,005	$ 945,087	$ 1,307,263	$ 2,252,350	$ 21,463,355

See accompanying Notes to Financial Statements.

THE LENFEST INSTITUTE FOR JOURNALISM, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 18,085,261	$ 7,901,184
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,853	2,414
Loss on Disposal of Fixed Assets	-	34,729
Amortization of Discount on Contributions Receivable	108,858	(59,698)
Amortization of Discount on Grants Payable	(21,102)	21,102
Unrealized (Gains) Losses on Investments	(7,941,595)	12,050,452
Realized Losses on Investments	597,697	7,865
(Increase) Decrease in Assets:		
Contributions Receivable	(4,211,405)	2,417,239
Prepaid Expenses and Other Assets	(2,366)	37,130
Right-of-Use Asset	(714,114)	-
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	190,415	(1,549,361)
Grants Payable	(1,733,263)	1,273,018
Lease Liability	726,491	-
Net Cash Provided by Operating Activities	5,097,730	22,136,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(102,490)	(12,907)
Purchases of Non-Endowment Investments	-	(36,771,661)
Proceeds from Sale of Non-Endowment Investments	1,839,425	16,805,029
Purchases of Endowment Investments	(18,653)	(1,624,780)
Proceeds from Sale of Endowment Investments	3,020,925	103,840
Net Cash Provided (Used) by Investing Activities	4,739,207	(21,500,479)
INCREASE IN CASH AND CASH EQUIVALENTS	9,836,937	635,595
Cash and Cash Equivalents - Beginning of Year	11,546,758	10,911,163
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 21,383,695	$ 11,546,758

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

The Institute is a beneficiary of the estate of Lenfest. As directed by the Board of Managers, these resources will be used to support programs and activities in keeping with the Institute’s mission of building a viable future for local, public-service journalism in Philadelphia, the state of Pennsylvania and throughout the country. To date, approximately $45.2 million has been received. The timing and fair value of future distributions cannot be reasonably estimated and, as such, no additional amounts have been reflected in the financial statements.

Within its mission, the Institute has the following priorities:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Investments

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

The Institute has private company stock that has no readily available market value and is stated at cost (appraised value at the date of gift) and included in other endowment investments. The carrying amount of the cost basis investment was $13,858,614 at December 31, 2023 and 2022.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

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

Leasehold Improvements	10 Years
Furniture	7 Years
Computer Equipment	5 Years

Contributions

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

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

Classification of Net Assets

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uniform Prudent Management of Institutional Funds Act

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

Fair Value Measurement

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

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

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

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

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

Fair Value of Financial Instruments

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

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

The Institute's endowment investments recorded at fair value on a recurring basis are included in Note 5. Determination of the fair value of private company stock could not be made without incurring excessive cost. This investment is valued at cost (appraised value at the date of gift). No impairment was noted for the years ended December 31, 2023 and 2022.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Institute determines if an arrangement is a lease at inception. Operating leases are included as right-of-use (ROU) assets and lease liability in the statement of financial position. The Institute did not have any finance leases for the years ended December 31, 2023 and 2022.

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

Adoption of New Accounting Standard

On January 1, 2023, the Institute adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Measurement of Credit Losses in Financial Statements*, the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, utilizing the modified retrospective transition method. The adoption of CECL had no impact on the statement of financial position or statement of activities.

Subsequent Events

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through June 13, 2024, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

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

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivables include unconditional promises to give at December 31:

	2023	2022
Receivable in Less Than One Year	$ 5,598,153	$ 2,736,998
Receivable in One to Five Years	1,350,250	-
Total	6,948,403	2,736,998
Less: Discounts to Present Value	(108,858)	-
Net Contribution Receivable	$ 6,839,545	$ 2,736,998

Receivables due in one to five years represent multi-year commitments received in 2023 and years prior. In 2023, these commitments were discounted using an interest rate of 4.75%. No commitments in 2022 are due more than one year from December 31, 2022.

NOTE 4 ENDOWMENT ACTIVITY

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

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

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

NOTE 4 ENDOWMENT ACTIVITY (CONTINUED)

Distributions of the Institute's endowment is made in accordance with the gift agreements. On an annual basis, up to 6% of the fair market value of the endowment fund may be spent based on a moving average of the fair market value of the endowment fund as determined by the board of managers of the Institute. The board of managers may from time-to-time adjust the 6% maximum annual draw on the endowment fund for extraordinary circumstances as determined by two-thirds vote of its board of managers, but in no event shall the annual draw exceed 10%. For the year ended December 31, 2023, the distribution was 5% of the 12-quarter average market value of the endowment. The Institute did not take an endowment draw in 2022 due to the receipt of the bequest from the Estate of H.F. Lenfest. The Institute's Board elected to use bequest funds to fund operations in lieu of a withdrawal from the endowment. This decision was made to enable the endowment investments to continue to appreciate.

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

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

Endowment activity by net asset class for the year ended December 31, 2022 is as follows:

	With Donor Restrictions
Endowment Assets - Beginning of Year	$ 83,526,047
Investment Return:	
Interest and Dividends, Net of Investment Expense of $99,437	1,226,275
Net Realized and Unrealized Losses	(11,957,273)
Total Investment Return	(10,730,998)
Contributions	298,283
Distributions of Endowment Income	-
Endowment Assets - End of Year	$ 73,093,332

NOTE 5 FAIR VALUE MEASUREMENTS

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

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

	Carrying Value at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity Funds	$ 35,378,513	$ -	$ -	$ 35,378,513
Fixed Income Funds	38,651,215	-	-	38,651,215
Total	$ 74,029,728	$ -	$ -	74,029,728
Cash and Cash Equivalents				5,066,960
Total				$ 79,096,688

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

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Leasehold Improvements	$ 33,328	$ -
Computer Equipment	33,395	12,907
Furniture and Fixtures	48,674	-
Less: Accumulated Depreciation	14,493	1,640
Total Property and Equipment, Net	$ 100,904	$ 11,267

Depreciation expense for the years ended December 31, 2023 and 2022 was $12,853 and $2,414, respectively.

NOTE 7 GRANTS PAYABLE

Generally, grants are recorded when approved by the board of managers. The following is a summary of grants authorized and payable at December 31:

	2023	2022
To Be Paid in Less Than One Year	$ 1,628,754	$ 2,954,221
To Be Paid in One to Five Years	-	450,000
Total	1,628,754	3,404,221
Less: Discounts to Present Value	-	21,102
Net Grants Payable	$ 1,628,754	$ 3,383,119

No commitments in 2023 are due more than one year from December 31, 2023. Grants to be paid in one to five years were discounted at a rate of 4.92% in 2022. As of December 31, 2023 and 2022, the Institute had no unrecorded grants in which conditions placed on these grants had not been met.

NOTE 8 DEFINED CONTRIBUTION RETIREMENT PLAN

The Institute's employees are leased from TPF. TPF has a defined contribution plan which covers all eligible employees, including those leased to the Institute. For the years ended December 31, 2023 and 2022, TPF contributed 10% of salaries, as defined, for a total contribution of $201,917 and $179,955, respectively.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Grants for Donor-Restricted Activities, Includes Pledges that are Expected to be Received in Subsequent Years and are Usually Considered to be Purpose-Restricted	$ 11,283,844	$ 6,342,998
Accumulated Losses on Permanently Restricted Endowment	(815,868)	(6,412,774)
Endowment Funds Whereby the Annual Spending Policy is Purpose-Restricted	8,000,077	9,536,284
Total	$ 18,468,053	$ 9,466,508

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

	2023	2022
Endowment Corpus	$ 56,111,208	$ 56,111,208
Private Company Stock, Restricted for Endowment	13,858,614	13,858,614
Total	$ 69,969,822	$ 69,969,822

NOTE 10 FUNCTIONAL EXPENSES

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

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

	2023	2022
Program Services	$ 19,195,824	$ 19,211,005
Management and General	1,081,459	945,087
Fundraising	1,408,938	1,307,263
Total	$ 21,686,221	$ 21,463,355

NOTE 11 LEASES

On January 1, 2023, the Institute entered into a 10-year lease agreement with the Philadelphia Inquirer for the use of office space which expires December 31, 2033. The lease agreement includes annual payments of $75,928 and provides for increases in future minimum annual rental payments.

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

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

NOTE 11 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for the lease liability as of December 31, 2023, is as follows:

Year Ending December 31,	Amount
2024	$ 76,917
2025	79,196
2026	81,958
2027	84,791
2028	87,699
Thereafter	484,864
Undiscounted Cash Flows	895,425
Less: Amounts Representing Interest	(168,934)
Total lease liability	$ 726,491

NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2023	2022
Financial Assets, as of December 31	$ 123,680,743	$ 107,239,058
Less:		
Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	(11,050,295)	(8,298,937)
Endowment Funds	(77,154,031)	(73,093,332)
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	$ 35,476,417	$ 25,846,789