Media Research Center
Financial Statements
December 31, 2024
(With Summarized Comparative Information December 31, 2023)

PragerMetis

Independent Auditor's Report

To the Board of Directors of
Media Research Center

Prager Metis CPAs, LLC

1951 KIDWELL DRIVE
SUITE 200
TYSONS CORNER, VA 22182
T 703.821.0702
F 703.448.1236
www.pragermetis.com

Opinion

We have audited the accompanying financial statements of Media Research Center (the "Center") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Center'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 Center's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information
We have previously audited the Center's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived, after the effects of the restatement described in Note 7.

Prager Metis CPAs, LLC

Prager Metis CPAs, LLC
Tysons Corner, Virginia
July 19, 2025

Media Research Center
Statement of Financial Position
December 31, 2024
(With Summarized Comparative Information as of December 31, 2023)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	**$ 2,579,057**	$ 1,443,798
Accounts receivable	**15,921**	303,960
Pledges receivable	**317,157**	687,147
Prepaid expenses	**210,267**	109,578
Total current assets	**3,122,402**	2,544,483
Property and equipment – net of accumulated depreciation and amortization	**624,022**	570,881
Investments		
Undesignated	**2,090,478**	1,838,384
Designated	**1,240,602**	28,370
Deferred compensation	**1,986,870**	1,690,017
Endowment	**2,495,316**	2,259,275
Cash value of life insurance	**224,641**	174,916
Security deposit	**213,460**	213,460
Operating lease right-of-use asset	**6,752,137**	7,154,971
Total investments	**15,003,504**	13,359,393
Total assets	**$ 18,749,928**	$ 16,474,757

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

	2024	2023
Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable	**$ 280,822**	$ 1,006,717
Accrued expenses	**982,911**	803,876
Claims and benefits payable	**532,432**	669,977
Annuity payment liability – current portion	**74,678**	73,613
Current portion of Small Business Administration loans	**-**	3,465
Operating lease liability	**855,976**	142,306
Total current liabilities	**2,726,819**	2,699,954
Other liabilities		
Annuity payment liability – net of current portion	**250,808**	264,741
Deferred compensation liability	**2,261,990**	1,960,391
Small Business Administration loans, net of current portion	**-**	129,769
Operating lease liability, less current portion	**6,726,033**	7,233,439
Total other liabilities	**9,238,831**	9,588,340
Total liabilities	**11,965,650**	12,288,294
Net assets		
Net assets without donor restrictions		
Undesignated	**2,785,251**	1,211,672 *
Designated	**1,240,602**	28,370
	4,025,853	1,240,042
Net assets with donor restrictions	**2,758,425**	2,946,421
Total net assets	**6,784,278**	4,186,463
Total liabilities and net assets	**$ 18,749,928**	$ 16,474,757

* restated, see Note 7

Media Research Center
Statement of Activities
Year Ended December 31, 2024
(With Summarized Comparative Information as of December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	Summarized 2023 Total
Revenue and support				
Contributions	**$ 14,226,305**	**$ 263,109**	**$ 14,489,414**	$ 12,501,256
Change in value of split-interest agreements	**(74,678)**	**-**	**(74,678)**	(73,613)
Advertising income	**55,529**	**-**	**55,529**	172,839
Rental and other	**239,847**	**-**	**239,847**	128,561
Investment return, net	**591,435**	**349,174**	**940,609**	1,123,341
Net assets released from restrictions	**800,279**	**(800,279)**	**-**	-
Total revenue and support	**15,838,717**	**(187,996)**	**15,650,721**	13,852,384
Expenses				
Program services				
News Analysis Division	**3,167,984**	**-**	**3,167,984**	3,484,047
Cybercast News Service	**-**	**-**	**-**	1,002,579
MRC Business	**460,419**	**-**	**460,419**	733,053
MRC Free Speech America	**2,756,339**	**-**	**2,756,339**	2,866,636
MRC Action	**1,278,385**	**-**	**1,278,385**	2,088,663
MRCTV	**2,007,070**	**-**	**2,007,070**	2,292,316
Youth Education and Intern Program	**327,127**	**-**	**327,127**	339,013
Total program services	**9,997,324**	**-**	**9,997,324**	12,806,307
Support Services				
Fundraising Resource Development	**1,879,747**	**-**	**1,879,747**	2,450,554
General and administrative	**1,175,835**	**-**	**1,175,835**	1,276,076
Total support services	**3,055,582**	**-**	**3,055,582**	3,726,630
Total expenses	**13,052,906**	**-**	**13,052,906**	16,532,937 *
Change in net assets	**2,785,811**	**(187,996)**	**2,597,815**	(2,680,553)
Net assets, at beginning of year as previously reported	**1,240,042**	**2,946,421**	**4,186,463**	7,413,714
Prior period adjustment (Note 7)	**-**	**-**	**-**	(546,698)
Net assets, at beginning of year as restated	**1,240,042**	**2,946,421**	**4,186,463**	6,867,016
Net assets, at end of year	**$ 4,025,853**	**$ 2,758,425**	**$ 6,784,278**	**$ 4,186,463**

* restated, see note Note 7

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

Media Research Center
Statement of Functional Expenses
Year Ended December 31, 2024
(With Summarized Comparative Information as of December 31, 2023)

		Program Services						Supporting Services		
	Total 2024	News Analysis Division	MRC Business	MRC Free Speech America	MRC Action	MRCTV	Youth Education and Intern Program	Fundraising Resource Development	General and Administrative	Total (Summarized) 2023
Salaries/benefits	**$ 7,476,474**	$ 2,000,182	$ 290,247	$ 1,724,718	$ 830,092	$ 1,337,339	$ 250,004	$ 475,049	$ 568,843	$ 9,338,665 *
Legal	**47,601**	-	-	-	-	-	-	-	47,601	209,126
Insurance	**177,924**	47,131	9,576	43,041	28,440	34,794	8,890	569	5,483	195,182
Real estate tax	**-**	-	-	-	-	-	-	-	-	16,049
Property tax	**21,668**	5,745	1,167	5,246	3,467	4,241	1,083	69	650	15,201
Interest	**16,427**	4,355	885	3,977	2,628	3,215	821	53	493	152,921
Registrations/fees	**8,667**	-	-	-	-	-	-	-	8,667	9,081
Printing	**357,279**	17,217	2,662	17,967	5,548	11,062	1,442	294,507	6,874	707,594
Postage	**607,527**	29,602	4,275	25,593	11,957	18,636	3,037	513,352	1,075	854,585
Mailing services	**363,940**	15,860	2,290	13,712	6,260	9,985	1,627	314,206	-	426,278
Meetings	**257,610**	73,263	21,808	79,199	-	57,364	-	-	25,976	126,293
List rental	**60,276**	3,652	527	3,158	1,441	2,299	375	48,824	-	117,563
Data processing	**36,666**	2,221	321	1,921	877	1,399	228	29,699	-	75,765
Creative fee	**219,129**	13,277	1,917	11,479	5,240	8,359	1,362	177,495	-	383,439
Caging	**7,492**	-	-	-	-	-	-	-	7,492	12,560
Messaging	**-**									-
Travel/meals	**220,062**	47,802	6,479	64,799	16,682	38,205	4,477	5,076	36,542	258,282
Occupancy	**81,329**	15,462	3,142	9,641	9,330	11,414	2,916	4,666	24,758	146,189
Rent	**822,559**	218,855	35,040	199,731	138,017	163,152	40,242	2,845	24,677	874,819
Telephone	**15,978**	-	-	-	-	-	-	-	15,978	16,982
Office supplies	**31,488**	7,526	1,412	8,531	3,930	7,496	1,192	91	1,310	35,292
Equipment rental	**32,799**	8,601	1,748	7,855	5,190	6,355	1,617	104	1,329	27,931
Equipment maintenance	**6,001**	1,586	322	1,449	957	1,171	299	19	198	7,863
Delivery/courier	**8,140**	216	31	187	85	136	22	3,337	4,126	16,613
Computer services	**97,306**	25,483	5,142	23,264	15,007	18,949	4,538	420	4,503	133,717
Subscriptions	**18,940**	15,127	-	915	-	2,677	-	-	221	27,895
Outside services	**378,962**	-	-	438	166,679	-	1,441	9,269	201,135	358,372
Accounting services	**104,637**	-	-	-	-	-	-	-	104,637	122,385
Consultants	**444,427**	158,455	20,400	190,327	-	75,245	-	-	-	657,194
Website	**442,765**	163,486	44,434	131,454	20,120	83,271	-	-	-	450,002
Reference	**33,086**	13,234	4,963	11,580	-	3,309	-	-	-	49,340
Advertising/Marketing	**543,107**	271,618	-	168,826	1,593	101,070	-	-	-	488,074
Contributions	**7,779**	-	-	-	-	-	-	-	7,779	15,700
Bank fees	**41,581**	-	-	-	-	-	-	-	41,581	51,396
Press releases	**-**	-	-	-	-	-	-	-	-	25,213
Depreciation and amortization	**30,283**	8,028	1,631	7,331	4,845	5,927	1,514	97	910	104,718
Storage	**32,997**	-	-	-	-	-	-	-	32,997	24,658
	$ 13,052,906	$ 3,167,984	$ 460,419	$ 2,756,339	$ 1,278,385	$ 2,007,070	$ 327,127	$ 1,879,747	$ 1,175,835	$ 16,532,937

* restated, see Note 7

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

Media Research Center
Statement of Cash Flows
Year Ended December 31, 2024
(With Summarized Comparative Information as of December 31, 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	**$ 2,597,815**	$ (2,680,553)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	**30,283**	104,718
Realized and unrealized gain on investments	**(829,702)**	(992,433)
Change in value of split interest agreement	**74,678**	73,613
Cash value of life insurance	**(49,725)**	(2,053)
Non-cash operating lease expense	**609,098**	169,636
(Increase) decrease in assets		
Accounts receivable	**288,039**	(246,726)
Pledges receivable	**369,990**	(297,346)
Prepaid expenses	**(100,689)**	45,022
Increase (decrease) in liabilities		
Accounts payable	**(725,895)**	113,774
Accrued expenses	**179,035**	993,041
Deposits	**-**	(168,938)
Obligation under deferred compensation plan	**164,054**	242,129
Net cash provided by (used in) operating activities	**2,606,981**	(2,646,116)
Cash flows from investing activities		
Purchase of property and equipment	**(83,424)**	(454,776)
Purchase of investments	**(3,422,380)**	(4,985,596)
Sales and maturities of investments	**2,254,862**	11,937,839
Net cash (used in) provided by investing activities	**(1,250,942)**	6,497,467
Cash flows from financing activities		
Annuity payments	**(87,546)**	(150,375)
Payments on line of credit	**-**	(2,500,000)
Payments on Small Business Administration loans	**(133,234)**	(14,102)
Net cash used in financing activities	**(220,780)**	(2,664,477)
Net increase in cash and cash equivalents	**1,135,259**	1,186,874
Cash and cash equivalents, beginning of year	**1,443,798**	256,924
Cash and cash equivalents, end of year	**$ 2,579,057**	$ 1,443,798
Supplemental disclosure of cash flow information		
Cash paid for interest expense	**$ 16,427**	$ 152,921
Supplemental disclosure of noncash transactions		
Stock contributions	**$ 2,850,071**	$ 443,496

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

Note 1 Nature of Operations

Media Research Center (the "Center") is a not-for-profit corporation formed to provide research and education on biases in the media. Its mission "to document and combat the falsehoods and censorship of the news media, entertainment media and Big Tech in order to defend and preserve America's founding principles and Judeo-Christian values" is accomplished through the publication of its research and analyses. Developing special reports, special projects, newsletters and press releases, the Center distributes its findings through the publication of printed reports, online articles and blogs, email newsletters including MRC Weekly, NB Daily and MRCTV Daily, social media posts and videos, and The Watchdog. These publications are targeted to reporters, editors, publishers, producers, directors, talk radio hosts, political leaders, subscribers, members and donors.

The Center operates three main program divisions, including the News Analysis Division, MRCTV, and MRC Free Speech America, and minor programs MRC Business, MRC Action and CNSNews, as well as the Youth Education and Intern Program. In conjunction with these programs, the Center maintains four Internet websites for the dissemination of its research and publications:

www.MRC.org, www.NewsBusters.org, www.MRCtv.org, and www.MRCfreespeechamerica.org

The Center receives revenue primarily through contributions from the general public and direct mail solicitations.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates
The preparation of financial statements in conformity with GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation
Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions could be subject to board designations.

Note 2 Summary of Significant Accounting Policies (continued)

Net Assets with Donor Restrictions: Net assets subject to donor-imposed stipulations that will be met either by actions of the Center and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by the Center.

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Contributions
The Center reports gifts of cash and other assets as with donor-restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 restriction. Restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions. Conditional promises to give are not recorded as contribution revenue until donor conditions have been met.

Advertising Income
Advertising income is based on clicks of internet links and the Center recognizes advertising income in the period in which the link is clicked and the revenue is earned. Receivables at December 31, 2024 and 2023 totaled $722 and $45,547, respectively, and is included as a component of accounts receivable on the accompanying statement of financial position.

Investments
Investments are reported at fair value based on quoted market prices. Investment returns are reported as increases or decreases in net assets without donor restrictions, unless the income or loss is restricted by donor or law. Investment return that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restriction if the restrictions are met in the same reporting period. Interest income is reported on the accrual basis and dividend income is reported on the ex-dividend date.

Property and Equipment
Property and equipment are stated at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over estimated useful lives of two to ten years for equipment and furniture. Leasehold improvements are amortized on the shorter of the lease term or useful life of the improvement. Website and software are amortized using the straight-line method over their estimated useful life of two to three years. The Center capitalizes all property and equipment with a cost of at least $1,000 and a useful life greater than one year. Repairs and maintenance are expensed as incurred.

Note 2 Summary of Significant Accounting Policies (continued)

Intangible Assets
The Center maintains a mailing list of approximately 300,000 subscribers, contributors and others. Because the list could be sold or rented in the future to compatible organizations, management estimates it has an intangible value of approximately $300,000.

In addition, the Center has developed a video archive consisting of televised news broadcasts dating from October 1987 along with a computerized database referencing the entire collection. Management estimates total production costs of the archive and database to be approximately $1,400,000.

Because recoverable costs and useful lives of the above assets are not reasonably estimated, management elected to expense all costs as incurred to acquire or develop these intangible assets. Accordingly, they have not been recognized as assets in the statement of financial position.

Leases
Right-of-use ("ROU") asset represents the Center's right to use an underlying asset for the lease term and operating lease liability represents the Center's obligation to make lease payments and are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The Center uses the risk-free rate of a U.S. treasury bill to calculate the present value. The Center does not recognize ROU assets and liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, with lease expenses for these leases recognized on a straight-line basis over the lease term. In addition, it's the Center's accounting policy to not separate lease and non-lease components.

Allocation of Functional Expenses
The costs of providing the various programs and support activities of the Center are allocated based upon the functions they directly benefit or upon management's estimates of the proportion of these costs applicable to each function. The expenses are allocated on a reasonable basis and consistently applied. The expenses that are allocated are salaries and benefits, payroll taxes, insurance, taxes, interest, rent, occupancy, general office expenses and supplies and depreciation, which are allocated based on allocations of time and effort. Printing, postage, mailing services, list rentals, data processing and creative fees are allocated based on a direct line count method of allocating joint costs.

The costs of providing various program services have been summarized on a functional basis in the statement of functional expenses. The program and supporting services are as follows:

News Analysis Division – Brings political balance to the nation's news media by documenting and countering liberal bias from television network news shows and major print publications.

Cybercast News Service – Provides an alternative news source that would cover stories that are subject to a liberal bias in many news outlets.

Note 2 Summary of Significant Accounting Policies (continued)

MRC Business – Brings balance to economic reporting and promotes fair portrayal of the business community in the media by auditing the media's coverage of the free enterprise system.

MRC Free Speech America – A movement to stop Big Tech censorship of conservatives.

MRC Action – Educating and mobilizing the general public against runaway liberal media bias.

MRCTV – An online media platform designed to broadcast conservative values, culture, politics, liberal media bias, and entertainment to a new and diverse audience on a social media optimized sight.

Youth Education and Intern Program – Mentors America's youth and educates and trains students to recognize bias and the need for balanced journalism.

Fundraising Resource Development – All expenses incurred for the purpose of raising funds.

General and Administrative – All other expenses incurred by the Center in the accomplishment of its tax-exempt purposes.

Cash and Cash Equivalents
Cash and cash equivalents consist of demand deposits, money market accounts, and certificates of deposit with original maturities of three months or less. Cash and cash equivalents exclude similar amounts included with investments as those funds are intended for investment purposes.

Accounts Receivable
Accounts receivable are stated at net realizable value. The Center does not require collateral and no interest is charged on outstanding receivables. The Center estimates allowance for credit losses based on the probability of default, its historical rate of losses, aging and current and future economic conditions. The Center writes off accounts receivable when it has exhausted reasonable collection efforts and determined the likelihood of collection is remote. These write-offs are charged against the allowance for credit losses. At December 31, 2024, there were no allowances for expected credit losses.

Pledges Receivable
Unconditional promises to give are expected to be realized in one year or less. Management periodically reviews the collectability of pledges receivable. Management determines the allowance for doubtful pledges by using the historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges are written off when considered uncollectible. At December 31, 2024, all pledges were considered fully collectible.

Note 2 Summary of Significant Accounting Policies (continued)

Advertising and Marketing Expenses
The Center expenses advertising and promotion costs as incurred. Advertising and marketing costs incurred during the year ended December 31, 2024 were $543,107.

Tax Status
The Center is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal or State of Virginia taxes is required. The Center's information returns are subject to review by the Internal Revenue Service and the State of Virginia three years after they are filed. Management has evaluated the Center's tax positions and has concluded that the Center has taken no uncertain tax positions that require adjustment to the financial statements.

Note 3 Self-Insurance

Beginning May 2014, the Center's insurance programs for employee-related health care benefits are effectively self-insured for which employees have up to one year after the date of service to file the claim. Accruals for self-insurance payables are based on claims filed and estimates of claims incurred but not yet reported plus development on reported claims. The Center considers past claims experience, including both frequency and settlement amount of claims, in determining these estimates. These estimates are subject to a high degree of uncertainty due to a variety of factors, including changes in claims reporting and resolution patterns, insurance industry practices, the regulatory environment and legal precedent. If a loss exceeds $35,000 for an individual, the Center will recover the excess costs under a stop-loss insurance plan. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in the statement of activities in the periods in which such adjustments are known. In general, self-insurance payables are recorded on an undiscounted basis. As of December 31, 2024, the liability for unpaid claims and claims incurred but not reported were $532,432, which is included in claims and benefits payable on the statement of financial position.

Note 4 Concentrations and Financial Risks

The Center maintains cash accounts with federally insured financial institutions. The balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per bank. Cash balances exceeded the FDIC limits at various times during the year. Management does not believe that this practice results in any significant credit risk.

The Center invests in professionally managed portfolios that contain securities that are exposed to various risks such as interest rates, market and credit. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Note 4 Concentrations and Financial Risks (continued)

The Center's money market and securities investments are held at brokerage firms that are insured and members of Securities Investor Protection Corporation ("SIPC"). At times, the Center may have funds that exceed the SIPC limits. The Center has not experienced any such losses.

Note 5 Investments

It is the intent of the Board and management to set aside sufficient reserves to be able to meet the future financial obligations of current research and operations with which the Center is involved in the event of a downturn in contributions.

Investments are carried at fair value based on quoted market prices and consist of the following at December 31, 2024:

Money market funds	$ 1,715,588
Mutual funds	163
Fixed income	1,437,458
Equities	4,604,006
Real estate investment trusts	56,051
	$ 7,813,266

Investment return, net is comprised of the following as of December 31, 2024:

Interest and dividends	$ 170,003
Net realized gain	195,328
Net unrealized gain	634,374
Investment gain before investment fees	999,705
Investment management fees	(59,096)
Investment return, net	$ 940,609

Note 6 Property and Equipment

Property and equipment at December 31, 2024 consists of the following:

Leasehold improvements	$ 326,545
Office equipment	490,825
Office furniture	17,604
Total	834,974
Less: accumulated depreciation and amortization	(210,952)
Total property and equipment, net	$ 624,022

Note 7 Prior Period Adjustment

During the fiscal year, management identified an understatement in the deferred compensation plan liability related to prior periods. The correction has been recorded as a prior period adjustment in accordance with generally accepted accounting principles. This adjustment resulted in an increase of $236,456 to salaries and benefits in the 2023 statement of activities. The remaining understatement of $546,698 has been reflected as an adjustment to beginning net assets.

Note 8 Charitable Gift Annuities

The Center enters into agreements to administer various charitable gift annuities. The charitable annuity agreements provide for the payment of distributions to the grantor or other designated beneficiaries over the designated beneficiary's lifetime.

An annuity payment liability has been recognized for the present value of future cash flows expected to be paid to the beneficiaries based on actuarial assumptions. At December 31, 2024, that amount totaled $325,486.

The annuity payment liability is reduced for distributions to the grantor or other beneficiaries and valued at present value based on the life expectancy of the beneficiary and the expected rate of return on investments.

Note 9 Costs of Activities that Include Fundraising

For the year ended December 31, 2024, the Center incurred joint costs of $1,301,948 for direct mail informational materials and activities that included fundraising appeals. Of those costs, $247,370 was allocated to program services and $1,054,578 was allocated to resource development (fundraising).

Note 10 Retirement Plan

The Center sponsors a Section 403(b) retirement and salary reduction plan for the benefit of its employees. The Center will make a matching contribution up to 3% for eligible participants.

Pension expense, included as a component of salaries and benefits on the statement of functional expenses, totaled $93,671 for the year ended December 31, 2024.

During 2015, 2016 and 2021, the Center adopted non-qualified deferred compensation plans covering three key employees. There are no employee contributions allowed under the plans. The plans are funded with insurance contracts owned by the Center. At December 31, 2024, the value of the contracts totaled $224,641 and the deferred compensation liability totaled $277,237.

On May 1, 2011, the Center established an unfunded deferred compensation plan to provide deferred compensation to its executive talent. Eligible participants may make an election to defer the receipt of a portion of their gross compensation to be deferred before the beginning of the period of service for which the compensation is payable. All contributions will remain as assets of the Center until the value of the account is distributed to the participant or the participants' beneficiaries. At December 31, 2024, the value of the plan investments totaled $1,986,870 and the deferred compensation liability totaled $1,986,870.

At December 31, 2024, total deferred compensation liability as shown on the statement of financial position was $2,261,990.

Note 11 Operating Lease

On February 3, 2023, the Center entered into a 11-year lease for office space. The lease commenced in October 2023 and required a security deposit of $213,460 upon signing of the lease. There is a rent abatement for the first year of the lease. The annual base rent is subject to an escalation clause of three percent (3%) per year. Rent expense and operating cash flows under the lease was $822,559 for the year ended December 31, 2024. The Center recorded an ROU asset and operating lease liability using a risk-free rate of a U.S. treasury bill of 4.86%.

Note 11 Operating Lease (continued)

The maturities of lease liabilities as of December 31, 2024 were as follows:

Years Ending December 31,	Amount
2025	$ 855,976
2026	881,670
2027	908,047
2028	935,307
2029	963,433
Thereafter	5,079,231
Total lease payments	9,623,664
Less: Interest	(2,041,655)
Present value of operating lease liability	$ 7,582,009

Note 12 Noncash Transaction

In 2024, the Center received noncash stock contributions in the amount of $2,850,071 which is included in contribution revenue in the statement of activities.

Note 13 Liquidity

The following reflects the Center's financial assets as of the statement of financial position date reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the board-designated endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or board-designated endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

Note 13 Liquidity (continued)

Financial assets at year end	
Cash and cash equivalents	$ 2,579,057
Accounts receivable	15,921
Pledges receivable	317,157
Investments	7,813,266
	10,725,401
Less those unavailable for general expenditure within one year due to:	
Donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(2,758,425)
Board designations:	
Designated-endowment fund, primarily for long-term investing	(1,240,602)
Financial assets available to meet cash needs for general expenditure within one year	$ 6,726,374

The Center is substantially supported by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Center's liquidity, management has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity need, the Center could draw upon the board-designated endowment.

Note 14 Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Restricted for future periods:	
Restricted for any activities of the Center in future periods	$ 263,109
Restricted for purpose	2,495,316
	$ 2,758,425

Note 15 Endowment Funds

The Center's Board of Directors has established a board-designated endowment fund. The earnings of this fund are available for the general support of the Center. There is no legal endowment or restriction since the original donors did not specifically stipulate contributions to be treated as such.

Note 15 Endowment Funds (continued)

The Center has a permanently restricted reporter endowment. This fund supports the hiring, training and furnishes the compensation and benefits for a full-time reporter position dedicated to investigating and reporting news with the purpose of counteracting the liberal bias within the national media by providing balanced and objective coverage.

Original donor restricted gift amount required to be maintained in perpetuity by donor	$ 1,600,000
Accumulated investment gains on endowment funds:	
With purpose restriction	895,316
	$ 2,495,316

Changes in endowment net assets for the year ended December 31, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2024	$ 28,370	$ 2,259,274	$ 2,287,644
Investment return			
Investment income, net of fees	10,091	36,992	47,083
Net realized and unrealized gain	3,634	312,182	315,816
Total investment return	13,725	349,174	362,899
Expenditures	-	(113,132)	(113,132)
Contributions	3,185,479	-	3,185,479
Transfers to undesignated net assets	(1,986,972)	-	(1,986,972)
Endowment net assets, December 31, 2024	$ 1,240,602	$ 2,495,316	$ 3,735,918

Note 15 Endowment Funds (continued)

Endowment composition by type as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,240,602	$ -	$ 1,240,602
Reporter endowment fund	-	2,495,316	2,495,316
Total endowment funds	$ 1,240,602	$ 2,495,316	$ 3,735,918

- **Interpretation of Relevant Law** – The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") is a model act approved by the Uniform Law Commission (ULC, formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. The accounting standard issued in response to the act improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

- **Return Objective and Risk Parameters** – The Center's objective is to earn a respectable, long-term, risk-adjusted total rate of return to support the designated programs. The Center recognizes and accepts that pursuing a respectable rate of return involves risk and potential volatility. The generation of current income is a secondary consideration. The Center targets a diversified asset allocation that places a greater emphasis on equity security investments to achieve its long-term return objectives within prudent risk constraints. The Center has established a policy portfolio of normal asset allocation. While the policy portfolio can be adjusted from time to time, it is designed to serve for long-term horizons based upon long-term expected returns. The Center has a preference for simple investment structures which will have lower cost, easier oversight, and less complexity for internal financial management and auditing. The Center is required to segregate the funds of the Reporter Endowment Fund from its other assets as institutional funds with the goal of optimizing yield and maintaining the spending power of the Reporter Endowment Fund.

- **Spending Policy** – The funds of the board-designated endowment fund may be spent at the discretion of the Center's Board of Directors and any expenditures must remain in compliance with IRS guidelines.

The Center may disburse from the Reporter Endowment Fund, an amount no greater than (a) the annual net income earned from the endowment assets over the immediately preceding fiscal year (not to include realized or unrealized asset appreciation) or (b) five percent (5%) of the average value of the Reporter Endowment Fund assets as of the end of each of the twelve (12) fiscal or calendar year quarters immediately preceding the year to which it is to apply.

Note 16 Fair Value Measurement

GAAP requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- **Level 1:** Unadjusted quoted market prices in active markets for identical assets or liabilities.
- **Level 2:** Observable market-based inputs or unobservable inputs that are corroborated by market data.
- **Level 3:** Unobservable inputs that are not corroborated by market data.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy for the year ended December 31, 2024.

	Fair Value	Level 1	Level 2	Level 3
Assets				
Money market fund	$ 1,715,588	$ -	$ 1,715,588	$ -
Domestic equities	4,430,002	4,430,002	-	-
International equities	174,004	174,004	-	-
	4,604,006	4,604,006	-	-
Fixed income				
Government bonds	933,080	-	-	-
Corporate bonds	504,378	-	504,378	-
	1,437,458	-	504,378	-
Mutual funds	163	163	-	-
Real estate investment trusts	56,051	56,051	-	-
	$ 7,813,266	$ 4,660,220	$ 2,219,966	$ -
Liabilities				
Charitable gift annuities	$ -	$ -	$ -	$ 325,486

The Center holds various investments which are publicly traded on the stock exchange and are considered Level 1 investments.

Bonds are considered Level 2 investments as they are valued at the present value of the bond's coupon interest rate plus the present value of the face value payment at maturity discounted at the market's required rate of return which are considered observable market rate inputs.

Charitable gift annuity liabilities are considered a Level 3 measurement and are valued as described in Note 8. For the year ended December 31, 2024, the application of the valuation techniques applied to similar assets has been consistent.

Note 16 Fair Value Measurement (continued)

Changes in Level 3 charitable gift annuities is as follows:

Beginning balance	$	338,354
Cash payments on annuities		(87,546)
Change in value of charitable gift annuities		74,678
Ending balance	$	325,486

Note 17 Small Business Administration Loan

In 2021, the Center obtained a loan of $149,900 under the Economic Injury Disaster Loan program (“EIDL”) from the Small Business Administration. The loan is secured by all tangible and intangible assets of the Center and is payable over 30 years at an interest rate of 2.75% per annum. The loan was paid off during the year ended December 31, 2024. As of December 31, 2024, the balance on the loan is $0.

Note 18 Related Party Transaction

During 2024, the Center paid $186,666 to the relative of the President for employee wages. The Center’s Board of Directors has been informed and approved of the relationship and dealings.

Note 19 Subsequent Events

Management has evaluated subsequent events through July 19, 2025 which is the date the financial statements were available to be issued.