

TYPE MEDIA CENTER, INC.
(formerly known as The Nation Institute)

Financial Statements
for year ended
December 31, 2018
(With summarized comparative
information for 2017)

TYPE MEDIA CENTER, INC.

Statement of Financial Position

Assets

	December 31	
	2018	2017
Assets		
Cash and cash equivalents	\$2,668,867	\$1,491,793
Investments, at fair value	3,357,450	4,102,652
Contributions receivable	466,111	875,354
Accounts receivable	67,142	112,063
Accrued interest receivable	7,410	7,410
Prepaid expenses and other receivables	33,117	50,076
Security deposit	33,750	33,750
Total assets	\$6,633,847	\$6,673,098

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 75,454	\$ 72,077
Net assets		
Without donor restrictions	1,430,859	1,234,284
With temporary donor restrictions	5,127,534	5,366,737
Total net assets	6,558,393	6,601,021
Total liabilities and net assets	\$6,633,847	\$6,673,098

See notes to financial statements.

TYPE MEDIA CENTER, INC.

Statement of Activities
For Year Ended December 31, 2018
(with summarized comparative information for year ended December 31, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Without Donor Restrictions</u>	<u>With Temporary Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Revenue, gains and other support				
Contributions - Individuals	\$ 655,272	\$ 512,015	\$ 1,167,287	\$ 170,259
Contributions - Foundations, public charities, trusts, and corporations	151,086	3,049,046	3,200,132	2,793,814
Program service fees	72,000	-	72,000	72,000
Special events revenues, net of related expenses of \$162,366 in 2018 and \$89,196 in 2017	64,078	-	64,078	190,004
Rental	128,586	-	128,586	123,280
Royalties and book sales	130,210	-	130,210	193,029
Net investment return	(52,538)	(37,690)	(90,228)	510,840
Other	7,125	62	7,187	8,375
Net assets released from restrictions	<u>3,762,636</u>	<u>(3,762,636)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>4,918,455</u>	<u>(239,203)</u>	<u>4,679,252</u>	<u>4,061,601</u>
Expenses				
Program services				
Internships	380,719	-	380,719	352,962
Investigative fund	1,889,898	-	1,889,898	1,524,610
Fellowships	689,422	-	689,422	622,274
Other programs	<u>901,788</u>	<u>-</u>	<u>901,788</u>	<u>903,950</u>
Total program services	3,861,827	-	3,861,827	3,403,796
Supporting activities				
Management and general	613,085	-	613,085	555,779
Fundraising	<u>246,968</u>	<u>-</u>	<u>246,968</u>	<u>237,007</u>
Total expenses	<u>4,721,880</u>	<u>-</u>	<u>4,721,880</u>	<u>4,196,582</u>
Change in net assets	196,575	(239,203)	(42,628)	(134,981)
Net assets, beginning of year	<u>1,234,284</u>	<u>5,366,737</u>	<u>6,601,021</u>	<u>6,736,002</u>
Net assets, end of year	<u>\$ 1,430,859</u>	<u>\$ 5,127,534</u>	<u>\$ 6,558,393</u>	<u>\$ 6,601,021</u>

See notes to financial statements.

TYPE MEDIA CENTER, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2018

(with summarized comparative information for year ended December 31, 2017)

	2018						2017	
	Program Services			Supporting Activities			Direct Cost of Special Event	Total
	Investigative Fund	Fellowships	Other Programs	Total Program Services	Management and General	Fundraising		
Salaries	\$ 279,792	\$ 10,810	\$ 263,304	\$1,082,796	\$ 161,807	\$ 112,217	\$ -	\$1,356,820
Payroll taxes and benefits	40,995	2,312	95,417	337,025	44,467	28,916	-	410,408
	320,787	13,122	358,721	1,419,821	206,274	141,133	-	1,767,228
Professional fees	4,404	480	13,014	46,621	62,103	5,217	-	113,941
Consulting	10,649	319	63,628	114,952	91,955	55,731	-	262,638
Telephone and internet charges	21,136	205	9,321	43,189	3,465	2,590	-	49,244
Equipment rental	407	44	1,202	4,111	809	478	-	5,398
Occupancy	11,870	1,294	35,080	120,327	152,142	13,927	-	286,396
Insurance	3,567	389	10,542	36,063	8,090	4,185	-	48,338
Travel and entertainment	3,129	-	27,800	93,986	14,281	16,955	-	125,222
Postage, printing and production	438	46	9,845	13,909	10,765	1,737	-	26,411
Advertising and publicity	610	-	19,959	45,194	580	-	-	45,774
Bank charges and other fees	278	3,849	908	7,238	4,334	533	-	12,105
Fellowships and grants	-	669,383	237,594	1,728,200	6,454	-	-	1,734,654
Catering and facility rental	-	-	-	-	-	-	162,366	162,366
Websites costs	228	25	31,662	53,226	20,451	267	-	73,944
Conferences, dues and subscriptions	886	-	25,943	51,871	6,072	753	-	58,696
Office expenses	2,330	266	56,569	74,044	4,460	3,462	-	81,966
Tape, CD production and book purchases	-	-	-	9,075	850	-	-	9,925
Depreciation and amortization	-	-	-	-	-	-	-	-
Investment fees	-	-	-	-	30,993	-	-	30,993
Bad debt	-	-	-	-	20,000	-	-	20,000
Total expenses	380,719	689,422	901,788	3,861,827	644,078	246,968	162,366	4,915,239
Less expenses deducted directly on the statement of activities	-	-	-	-	-	-	-	-
Direct cost of special events	-	-	-	-	-	-	(162,366)	(162,366)
Investment fees	-	-	-	-	(30,993)	-	-	(30,993)
Total expenses reported by function on the statement of activities	\$ 380,719	\$ 689,422	\$ 901,788	\$3,861,827	\$ 613,085	\$ 246,968	\$ -	\$4,721,880
								\$4,196,582

See notes to financial statements.

TYPE MEDIA CENTER, INC.

Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ (42,628)	\$ (134,981)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized (gain) loss on investments	134,629	(472,580)
Depreciation and amortization	-	1,639
Donated securities	-	(27,993)
Proceeds from sale of donated securities	-	27,993
Decrease in assets		
Contributions receivable	409,243	483,082
Accounts receivable	44,921	1,389
Accrued interest receivable	-	123
Prepaid expenses and other assets	16,959	13,826
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	3,377	(37,831)
Grants payable	-	(50,000)
Deferred revenue	-	(8,500)
Net cash provided by (used in) operating activities	<u>566,501</u>	<u>(203,833)</u>
Cash flows from investing activities		
Purchase of investments	(1,020,696)	(1,073,252)
Proceeds from sales of investments	<u>1,631,269</u>	<u>1,196,256</u>
Net cash provided by investing activities	<u>610,573</u>	<u>123,004</u>
Net change in cash and cash equivalents	1,177,074	(80,829)
Cash and cash equivalents, beginning of year	<u>1,491,793</u>	<u>1,572,622</u>
Cash and cash equivalents, end of year	<u>\$ 2,668,867</u>	<u>\$ 1,491,793</u>

See notes to financial statements.

TYPE MEDIA CENTER, INC.**Notes to the Financial Statements
December 31, 2018****Note 1 – Nature of organization**

A nonprofit media center, The Type Media Center, Inc. (the “Center”), (formerly known as The Nation Institute), is dedicated to strengthening the independent press and advancing social justice and civil rights. The Center's dynamic range of programs includes a bestselling book publishing imprint, Nation Books; the award-winning Investigative Fund, which supports groundbreaking investigative journalism; the widely read and syndicated website TomDispatch; the Victor S. Navasky Internship Program; and Journalism Fellowships that fund over 20 high-profile reporters every year.

Note 2 – Summary of significant accounting policies

The financial statements of the Center have been prepared on the accrual basis. The significant accounting policies followed are described below.

Net assets

The Center reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions:

- Net assets with donor restrictions contain donor-imposed restrictions that permit the Center to use or expend the assets including any revenue earned as specified. The restrictions are satisfied either by the passage of time or by action of the Center (temporary donor restrictions).
- Net assets without donor restrictions are not restricted by donors, or the donor-imposed restrictions have expired and are available for general operations of the Center.

Public support and revenue

Contributions are generally available for general operations unless specifically restricted by the donor. Unconditional promises to give are recorded when received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using reasonable interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as support with temporary donor restrictions if they are received with donor stipulations that limit the use of the donated assets or relate to future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Center records bequests as revenue when it is notified of a legally binding obligation and an amount can reasonably be established.

TYPE MEDIA CENTER, INC.**Notes to Financial Statements (continued)
December 31, 2018****Note 2 – Summary of significant accounting policies (continued)****Cash equivalents**

The Center considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The change in the unrealized value of investments is included in the change in net assets.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

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

Level 2 – Observable inputs other than level 1 prices such as quoted prices of similar assets or quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

The asset'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.

Allowance for doubtful accounts

The Center has an allowance of \$10,000 at December 31, 2018 for pledges and contributions receivable that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

TYPE MEDIA CENTER, INC.**Notes to Financial Statements (continued)****December 31, 2018****Note 2 – Summary of significant accounting policies (continued)****Property and equipment**

The Center capitalizes, as property and equipment, expenditures for assets in excess of \$2,500 with an estimated useful life of greater than one year. Property and equipment are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 11 years. As of December 31, 2018, the Center's property and equipment is fully depreciated.

The cost of maintenance and repairs is charged to expense when incurred.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses attributable to more than one functional expense category are allocated using an estimate of time and effort spent.

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 period. Actual results could differ from those estimates.

Comparative information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United State of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Concentrations of credit risk

The Center's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, investments and receivables. The Center places its cash with what it believes to be quality financial institutions. The Center's investments are exposed to various risks such as market volatility, liquidity, interest rate and credit. Due to the uncertainty related to the aforementioned risks, it is reasonably possible that changes in these risks could materially affect the fair value of the Center's investments reported in the accompanying statement of financial position at December 31, 2018. Management of the Center deems its receivables to be collectible. The Center believes no significant concentrations of credit risk exist with respect to its cash, investments and pledges and contributions receivable.

TYPE MEDIA CENTER, INC.

**Notes to Financial Statements (continued)
December 31, 2018**

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through June 25, 2019, which is the date the financial statements were available to be issued.

Note 3– Liquidity and availability of financial assets

The following is a summary of the Center’s financial assets available for general use as of the statement of financial position date:

Cash	\$ 2,668,867
Investments	3,357,450
Contributions and accounts receivables	<u>240,663</u>
Sub-total	6,266,980
Less: Net assets with temporary donor restrictions	<u>(2,561,544)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,705,436</u>

The Center’s working capital and cash flows vary due to timing of payments received under grants and a concentration of contributions received near calendar year-end. As part of the Center’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center invests cash in excess of daily requirements in short-term investments. Financial assets reflected above do not include pledges and contributions receivable due in greater than one-year as of December 31, 2018 which totaled \$285,000 net of discount to present value. Net assets with temporary donor restrictions do not include net assets that are expected to be spent on programs during the 2019 year.

Note 4 – Investments

For assets measured at fair value on a recurring basis as of December 31, 2018 accounting standards require quantitative disclosures about the fair value measurements separately for each major class of assets as follows:

TYPE MEDIA CENTER, INC.

Notes to Financial Statements (continued)
December 31, 2018**Note 4 – Investments (continued)**

Description	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 132,627	\$ 132,627	\$ -	\$ -
Common stock	918,528	918,528	-	-
Exchange traded funds	139,858	139,858	-	-
Fixed income				
Certificates of deposit	242,473	242,473	-	-
Government and GSE Bonds	529,700	-	529,700	-
Mutual funds				
Emerging markets	336,758	336,758	-	-
Fixed income	226,366	226,366	-	-
Equity	831,140	831,140	-	-
Total investments as recorded in the fair value hierarchy	\$ 3,357,450	\$ 2,827,750	\$ 529,700	\$ -

Net investment return for the year ended December 31, 2018 consists of the following:

Interest and dividends	\$ 75,394
Realized and unrealized (loss)	(134,629)
Investment management fees	(30,993)
Net investment return	\$ (90,228)

Note 5 – Pledges and contributions receivable, net

Contributions and grants receivable are unconditional promises to make donations to the Center which consist of the following as of December 31, 2018:

Due within one year	\$ 191,111
Due in one to five years	300,000
Sub-total	491,111
Less: Amount to reduce contributions and grants receivable due in one to five years to their present value (discount rate – 4.00%)	15,000
Allowance for doubtful pledges	10,000
Total	\$ 466,111

TYPE MEDIA CENTER, INC.

**Notes to Financial Statements (continued)
December 31, 2018**

Note 6 – Property and equipment

The Center's property and equipment consists of the following at December 31, 2018:

Furniture and fixtures	\$ 63,182
Leasehold improvements	28,330
Computer equipment	21,963
Website	68,340
Telephone hardware	<u>14,455</u>
Total property and equipment	196,270
Less: accumulated depreciation and amortization	<u>196,270</u>
Property and equipment, net	<u>\$ -</u>

Note 7 – Net assets with temporary donor restrictions

Net assets with temporary donor restrictions consisted of the following as of December 31, 2018:

Fellowship	
Puffin	\$ 1,158,767
Other	1,221,700
Investigative fund	2,412,557
Interns	29,180
Other programs	
Ridenhour Prizes	16,750
Tom Dispatch	254,887
Johnson Hiss Oral History	<u>33,693</u>
Total net assets with temporary donor restrictions	<u>\$ 5,127,534</u>

During the year ended December 31, 2018, net assets were released from donor restrictions for the following purposes:

Fellowship	
Puffin	\$ 130,543
Other	692,659
Investigative fund	1,899,294
Interns	380,191
Other programs	
Schell Lecture	87,515
Tom Dispatch	183,580
Ridenhour Prizes	166,985
Nation Book	<u>201,869</u>
Total	<u>\$ 3,742,636</u>

TYPE MEDIA CENTER, INC.

**Notes to Financial Statements (continued)
December 31, 2018**

Note 8 – Commitment

The Center occupies office space under the terms of an operating lease which has been extended through December 31, 2021. The lease requires monthly payments of \$17,400 in 2019 increasing to \$18,230 in the final year of the lease. In connection with the lease the Center provided the landlord with a security deposit of \$33,750.

The future minimum annual rental payments based upon the calendar years anniversary dates of the lease are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 213,597
2020	218,517
2021	<u>223,560</u>
Total	<u>\$ 655,674</u>

In February 2016, the Center entered into an agreement to sublease a portion of its space to another non-profit organization. The sub-lease requires monthly rent payments of \$9,150 in 2019, increasing to \$9,610 and expires December 30, 2021. Rental revenue from this sublease totaled \$128,586 for the year ended December 31, 2018.

Note 9 – Retirement plans

The Center maintains a 403(b) retirement plan covering substantially all eligible employees.

The Center also maintains a Simplified Employee Pension (SEP) covering all eligible employees. During 2018 and 2017, the Center contributed 5% of an employee's compensation to the plan; such contributions totaled \$46,383 and \$46,197, respectively.

Note 10 – Tax status

The Center is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. As a nonprofit organization, the Center is also exempt from California State, New York State, and New York City income tax.