

**ALTERNATIVE NEWSWEEKLY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024
WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**





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**INDEPENDENT ACCOUNTANT'S
REVIEW REPORT**



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Alternative Newsweekly Foundation

We have reviewed the accompanying financial statements of Alternative Newsweekly Foundation (the Foundation), which comprise the statement of financial position as of September 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

KDP Certified Public Accountants, LLP

Boise, Idaho
November 18, 2024



FINANCIAL STATEMENTS

**ALTERNATIVE NEWSWEEKLY FOUNDATION
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 672,562
Accounts receivable	30,000
Unconditional promises to give	725,000
Prepaid expenses	<u>864</u>
 Total assets	 <u><u>\$ 1,428,426</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	<u>\$ 79,833</u>
Total liabilities	<u>79,833</u>

NET ASSETS:

Without donor restrictions	98,435
With donor restrictions	<u>1,250,158</u>
 Total net assets	 <u>1,348,593</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,428,426</u></u>
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**ALTERNATIVE NEWSWEEKLY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Sponsorship revenue	\$ 94,077	\$ -	\$ 94,077
Contribution revenue	165,000	4,796,630	4,961,630
Grant revenue	2,669	408,851	411,520
Donated services	15,000	-	15,000
Net assets released from restrictions	5,847,602	(5,847,602)	-
Total revenues and support	6,124,348	(642,121)	5,482,227
EXPENSES:			
Program services	5,847,602	-	5,847,602
Support services	227,813	-	227,813
Total expenses	6,075,415	-	6,075,415
CHANGE IN NET ASSETS	48,933	(642,121)	(593,188)
NET ASSETS - BEGINNING OF YEAR	49,502	1,892,279	1,941,781
NET ASSETS - END OF YEAR	\$ 98,435	\$ 1,250,158	\$ 1,348,593

See accompanying notes to the financial statements.

**ALTERNATIVE NEWSWEEKLY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024**

	Program Services	Support Services	Total
Accounting	\$ -	\$ 80,922	\$ 80,922
Bank charges & fees	3,267	659	3,926
Consulting	-	37,655	37,655
Content production	278,879	-	278,879
Donated services	6,000	9,000	15,000
Fundraising	-	43,064	43,064
Legal	-	298	298
Miscellaneous	2,104	3,188	5,292
Office supplies & software	-	6,314	6,314
Payroll	-	41,552	41,552
Project fulfillment	4,654,874	-	4,654,874
Project management	258,600	-	258,600
Project sponsorship fees	258,113	-	258,113
Project travel & meals	8,072	-	8,072
Technical services	377,693	-	377,693
Travel	-	5,161	5,161
	<u>-</u>	<u>5,161</u>	<u>5,161</u>
 Total expenses	 <u>\$ 5,847,602</u>	 <u>\$ 227,813</u>	 <u>\$ 6,075,415</u>

**ALTERNATIVE NEWSWEEKLY FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (593,188)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Changes in:	
Unconditional promise to give	(25,000)
Accounts receivable	(30,000)
Accounts payable	<u>(24,447)</u>
Net cash used in operating activities	<u>(672,635)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(672,635)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,345,197</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 672,562</u></u>



NOTES TO THE FINANCIAL STATEMENTS

**ALTERNATIVE NEWSWEEKLY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 – PURPOSE OF FOUNDATION

Alternative Newsweekly Foundation (“the Foundation”) located in Washington, DC, is a not-for-profit foundation formed July 25, 2002, under the laws of the District of Columbia. The Foundation has three primary objectives; (i) work with the Association of Alternative Newsmedia (AAN) to support the growth, education, and professional development of future journalists while connecting younger journalists and mentors, (ii) serve as a fiscal sponsor to independent entities that are in the business of building local news and information infrastructure and initiatives that ultimately serve their communities, and (iii) to engage and collaborate with the National Newspaper Publishers Association (NNPA) and the National Association of Hispanic Publications (NAHP) to advance the mission behind the Fund For Equity in Local News (FELN).

Funding is obtained through grants and contributions from organizations and individuals, and fiscal sponsorship fees collected on such donations from the Foundation’s roster of clients.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and are presented in accordance with accounting for financial statements of not-for-profit organizations, which requires classification net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets be presented in a statement of financial position and that the amounts of change in each of those classes of net assets be presented in a statement of activities. The assets, liabilities, revenues, expenses, and net assets of the Foundation are reported in the following categories:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the Board of Directors (the Board).

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with original maturities of 90 days or less to be cash equivalents.

Unconditional Promises to Give

Unconditional promises to give are recorded when the unconditional promise is made, or when a condition of a previous conditional promise to give is met. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Amortization of the discounts is included in contribution revenue.

Unconditional promises to give totaled \$725,000 as of September 30, 2024. \$700,000 of this amount is due from Google News Initiative (GNI) for a milestone achievement of the Fund for Equity in Local News (FELN) agreement and \$25,000 of this amount is due from Schnitzer Properties for the Oregon Journalism Project.

**ALTERNATIVE NEWSWEEKLY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are considered to be available for use at the discretion of the Foundation unless specifically restricted by the donor. Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports a release from net assets with donor restrictions and a corresponding increase in net assets without donor restrictions. Conditional contributions received in advance are reported as a liability “conditional contribution” until the conditions have been substantially met. If conditions are substantially met in the same time period in which the contribution is received, the Foundation reports a release from net assets with donor restrictions and a corresponding increase in net assets without donor restrictions.

Grants

The Foundation periodically receives grants from private companies and non-profit organizations. Grants generally have reporting requirements with which the Foundation must comply. To date, the Foundation has complied with all reporting requirements to the best of their knowledge. Grants have been reported as grant revenue on the Statement of Activities.

Sponsorship Revenue

The Foundation charges an administrative fee for the fiduciary oversight, financial management and other administrative services to facilitate certain fiscal sponsorship projects. Fiscal sponsorship project administrative fees are generally a percentage of the total funds raised on behalf of the sponsored organization and have been reported as sponsorship revenue on the Statement of Activities.

Donated Services

Volunteers contribute time to the Foundation’s program services and management and general activities. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation records donated services at the respective fair value of the services received. For the year ended September 30, 2024 the Foundation received donated services totaling \$15,000.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include bank charges and fees, consulting expenses, and salaries. Consulting and salary expenses are allocated on the basis of estimated time and effort, while bank charges and fees are allocated based on an estimated of correlated to the underlying usage.

Advertising

Costs associated with advertising are expensed in the period incurred. The Foundation did not incur any advertising expense for the year ended September 30, 2024.

**ALTERNATIVE NEWSWEEKLY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax-Exempt Status

The Foundation is a not-for-profit organization which is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. No income of the Foundation is considered unrelated business income, and accordingly, no provision for revenue taxes has been accrued.

The Foundation has determined that it has no uncertain tax positions requiring accrual or disclosure. The federal income tax returns of the Foundation are subject to examination by the IRS generally for three years after they are filed.

The Foundation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation recognizes interest and penalties related to income tax matters in operating expenses. As of September 30, 2024, there were no such uncertain tax positions.

Use of Estimates

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

Note 3 – GOOGLE NEWS INITIATIVE – THE FUND FOR EQUITY IN LOCAL NEWS:

The Fund for Equity in Local News (FELN) partnered with the Google News Initiative (GNI) to launch the Transformation Tech program. The purpose of the Transformation Tech program is to equip publishers with coaching and curricula to aid their transition from print to digital revenue streams.

As the fiscal sponsor of FELN, the Foundation is responsible for coordinating and executing the Transformation Tech program to help members of the National Newspaper Publishers Association (NNPA), National Association of Hispanic Publishers (NAHP), and the Association of Alternative Newsmedia (AAN) develop an online presence. The Transformation Tech program will run through December 31, 2024, with up to 240 total participants (upon completion of the program publishers will receive \$20,000 to fund their digital transformation). The total amount of funding provided by GNI is not to exceed \$6,830,000 over the term of the program.

For the year ended September 30, 2024, with respect to the Transformation Tech program, the Foundation recognized \$3,800,000 of contribution revenue from GNI to fund program participants and the incurred \$4,846,015 of participant program expenses. Since the program's inception, the total revenue recognized is \$6,130,000 and the total program expenses incurred is \$5,505,757. Contribution revenues from GNI for the FELN Transformation Tech program are included in Net Assets with Donor Restrictions on the statement of activities and are released from restrictions as program expenses are incurred

GNI paid the Foundation \$165,000 as a program administrative fee, which was recorded as contribution revenue without restrictions on the Statement of Activities for the year ended September 30, 2024.

**ALTERNATIVE NEWSWEEKLY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 4 – AVAILABILITY AND LIQUIDITY

As of September 30, 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and program services, were as follows

Financial assets	
Cash and cash equivalents	\$ 672,562
Accounts receivable	30,000
Unconditional promises to give	<u>725,000</u>
Total financial assets	1,427,562
Less unavailable assets for general expenditure within one year, due to:	
Net assets with donor restrictions	<u>(1,250,158)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 177,404</u>

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors and unavailable for general expenditures. The Foundation regularly monitors its liquidity to ensure it has sufficient funds to meet its operational needs. The Foundation is primarily supported by contributions and grants, fiscal sponsorship income, and management anticipates continued support from donors to fund its programs and meet operational expenses. Although the Foundation has experienced certain timing differences in cash receipts related to milestone-based grants, management has implemented strategies to manage liquidity, such as maintaining cash reserves and aligning expenses with anticipated cash receipts. Based on management’s assessment and current financial condition, the Foundation believes it has adequate resources to meet its financial obligations as they come due within the next twelve months.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted primarily for the use of funds to donor specified sponsored projects. The Foundation has \$624,368 of net assets restricted for the use towards the GNI Transformation Tech project and \$625,790 of net assets restricted for the use towards various other donor designated projects. These assets are subject to donor-imposed restrictions and are met through the Foundation satisfying the purpose of the restriction.

Net assets with donor restrictions are available for the following purposes at September 30, 2024:

GNI	\$ 624,368
Donor designated projects	625,790
Total net assets with donor restrictions	<u>\$ 1,250,158</u>

Net assets were released from restriction during the year ended September 30, 2024, for the following purposes:

GNI	\$ 4,681,015
Donor designated projects	1,166,587
Total net assets released from restrictions	<u>\$ 5,847,602</u>

**ALTERNATIVE NEWSWEEKLY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 6 – CONCENTRATIONS

The Foundation has bank accounts at various financial institutions. The Federal Deposit Insurance Corporation (FDIC) issues accounts at each banking institution up to \$250,000. As of September 30, 2024, funds held at certain financial institutions exceeded amounts insured by the FDIC by \$87,210.

The Foundation relies on contributions and grants from organizations and individuals to execute its mission. During the year ended September 30, 2024, the Foundation received approximately 69% of total revenues and support from GNI for the FELN.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Fund for Equity in Local News (FELN) is a collaboration between the National Association of Hispanic Publications (NAHP), the National Newspapers Publishers Association (NNPA), and the Association of Alternative News (AAN), all of which are related parties to the Foundation. To participate in the GNI Transformation Tech program (refer to note 5), participants are required to be members of one of the three associations. Under the agreement, NAHP, NNAP, and AAN will receive an association enablement fee as a stipend to support their outreach to participants. The total association enablement fee is \$600,000, which will be paid by GNI to the Foundation to distribute \$200,000 to each association, respectively. No amounts of the association enablement fee were paid to the associations for the year ended September 30, 2024.

Certain members of the Foundation's Board of Directors are involved with publications that are participating in the Transformation Tech program.

During the year ended September 30, 2024, the Foundation received donated services from the Foundation's Board of Directors in the amount of \$15,000, refer to note 2.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. The Foundation's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after the balance sheet date and before financial statements are available to be issued.

Subsequent events were evaluated through November 18, 2024, which is the date the financial statements were available for issuance, for recognition and disclosure in the financial statements.