

**AUDIT REPORT ON THE
FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The International Center for Journalists, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of The International Center for Journalists, Inc. (ICFJ), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICFJ as of December 31, 2021 and 2020, and the changes in its 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 audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 ICFJ 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 the 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 ICFJ'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 and *Government 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.

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Misstatements, including omissions, 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 ICFJ'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 ICFJ'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Endowment and Quasi-Endowment Investment Activities on page 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022, on our consideration of ICFJ's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ICFJ's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ICFJ's internal control over financial reporting and compliance.



September 26, 2022

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS		<u>2021</u>	<u>2020</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	14,259,438	\$ 8,225,841
Investments		11,036,683	10,153,184
Advances and other receivables		157,965	324,713
Grants and pledges receivable		14,912,554	14,551,117
Prepaid expenses		<u>143,401</u>	<u>133,998</u>
Total current assets		<u>40,510,041</u>	<u>33,388,853</u>
FIXED ASSETS			
Furniture and leasehold improvements		431,997	364,576
Office equipment		17,438	17,438
Computer equipment		<u>90,788</u>	<u>90,788</u>
		540,223	472,802
Less: Accumulated depreciation and amortization		<u>(212,156)</u>	<u>(176,644)</u>
Net fixed assets		<u>328,067</u>	<u>296,158</u>
NON-CURRENT ASSETS			
Right of use asset, net		4,609,794	-
Intangible asset (website), net of accumulated amortization of \$120,708 and \$91,166, respectively		-	9,848
Grants and pledges receivable, net of current maturities and discount		<u>872,175</u>	<u>1,961,436</u>
Total non-current assets		<u>5,481,969</u>	<u>1,971,284</u>
TOTAL ASSETS	\$	<u>46,320,077</u>	\$ <u>35,656,295</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	974,148	\$ 825,783
Operating lease liability		<u>318,212</u>	<u>-</u>
Total current liabilities		<u>1,292,360</u>	<u>825,783</u>
NON-CURRENT LIABILITIES			
Operating lease liability, net of current portion		<u>4,788,260</u>	<u>-</u>
Total liabilities		<u>6,080,620</u>	<u>825,783</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		341,227	1,092,714
Board designated:			
Long-Term Reserve Fund		1,012,065	1,126,616
Kay Fanning Visitors' Fund		860,136	787,952
Winship Connection Fund		463,471	417,020
Ruth Ewing Fund		447,317	405,027
President's Fund		<u>1,071,501</u>	<u>517,833</u>
Total without donor restrictions		4,195,717	4,347,162
With donor restrictions		<u>36,043,740</u>	<u>30,483,350</u>
Total net assets		<u>40,239,457</u>	<u>34,830,512</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>46,320,077</u>	\$ <u>35,656,295</u>

See accompanying notes to financial statements.

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants, contributions and program fees	\$ 1,138,417	\$ 24,580,839	\$ 25,719,256
Information fees and other	134,335	-	134,335
Investment income	11,814	153,641	165,455
Appropriation of endowment investment earnings for general support	319,066	-	319,066
Net assets released from donor restrictions	<u>19,286,838</u>	<u>(19,286,838)</u>	<u>-</u>
Total support and revenue	<u>20,890,470</u>	<u>5,447,642</u>	<u>26,338,112</u>
EXPENSES			
Program Services	<u>17,492,805</u>	<u>-</u>	<u>17,492,805</u>
Supporting Services:			
General and Administrative	2,251,341	-	2,251,341
Development	565,956	-	565,956
Fundraising	<u>962,350</u>	<u>-</u>	<u>962,350</u>
Total supporting services	<u>3,779,647</u>	<u>-</u>	<u>3,779,647</u>
Total expenses	<u>21,272,452</u>	<u>-</u>	<u>21,272,452</u>
Changes in net assets from operations before other items	(381,982)	5,447,642	5,065,660
OTHER ITEMS (NON-OPERATING)			
Grant funds rescinded by donors	-	(126,971)	(126,971)
Investment income - endowment	301,893	487,429	789,322
Appropriation of endowment investment earnings for general support	<u>(71,356)</u>	<u>(247,710)</u>	<u>(319,066)</u>
Changes in net assets	(151,445)	5,560,390	5,408,945
Net assets at beginning of year	<u>4,347,162</u>	<u>30,483,350</u>	<u>34,830,512</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,195,717</u>	<u>\$ 36,043,740</u>	<u>\$ 40,239,457</u>

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants, contributions and program fees	\$ 950,741	\$ 23,837,530	\$ 24,788,271
Information fees and other	734,216	-	734,216
Investment income	30,356	93,884	124,240
Appropriation of endowment investment earnings for general support	426,334	-	426,334
Net assets released from donor restrictions	<u>15,506,996</u>	<u>(15,506,996)</u>	<u>-</u>
Total support and revenue	<u>17,648,643</u>	<u>8,424,418</u>	<u>26,073,061</u>
EXPENSES			
Program Services	<u>14,252,438</u>	<u>-</u>	<u>14,252,438</u>
Supporting Services:			
General and Administrative	2,039,311	-	2,039,311
Development	430,977	-	430,977
Fundraising	<u>568,477</u>	<u>-</u>	<u>568,477</u>
Total supporting services	<u>3,038,765</u>	<u>-</u>	<u>3,038,765</u>
Total expenses	<u>17,291,203</u>	<u>-</u>	<u>17,291,203</u>
Changes in net assets from operations before other items	357,440	8,424,418	8,781,858
OTHER ITEMS (NON-OPERATING)			
Grant funds rescinded by donors	(14,900)	(528,330)	(543,230)
Investment income - endowment	293,516	694,515	988,031
Appropriation of endowment investment earnings for general support	<u>(66,818)</u>	<u>(359,516)</u>	<u>(426,334)</u>
Changes in net assets	569,238	8,231,087	8,800,325
Net assets at beginning of year	<u>3,777,924</u>	<u>22,252,263</u>	<u>26,030,187</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,347,162</u>	<u>\$ 30,483,350</u>	<u>\$ 34,830,512</u>

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Supporting Services</u>				<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Fundraising</u>		
Salaries	\$ 1,522,941	\$ 885,984	\$ 360,293	\$ 341,220	\$ 1,587,497	\$ 3,110,438
Fringe benefits	676,237	392,328	161,260	151,625	705,213	1,381,450
Professional services	2,977,848	176,722	39,775	425,806	642,303	3,620,151
Meeting and conferences	9,554	7,224	-	1,343	8,567	18,121
Occupancy	-	490,736	-	-	490,736	490,736
Travel	4,652	8,160	1,520	2,713	12,393	17,045
Knight Fellows cost	664,788	-	-	-	-	664,788
Awards and project grants	7,689,311	-	-	14,000	14,000	7,703,311
Subgrants	3,578,987	-	-	-	-	3,578,987
Subcontracts	159,634	-	-	-	-	159,634
Participant support cost	42,377	-	-	-	-	42,377
Other operating cost	166,476	290,187	3,108	25,643	318,938	485,414
TOTAL	<u>\$ 17,492,805</u>	<u>\$ 2,251,341</u>	<u>\$ 565,956</u>	<u>\$ 962,350</u>	<u>\$ 3,779,647</u>	<u>\$ 21,272,452</u>

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Supporting Services</u>				<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Fundraising</u>		
Salaries	\$ 1,373,109	\$ 1,079,604	\$ 243,912	\$ 243,245	\$ 1,566,761	\$ 2,939,870
Fringe benefits	516,064	405,655	91,662	91,412	588,729	1,104,793
Professional services	3,628,259	202,984	90,807	195,381	489,172	4,117,431
Meeting and conferences	34,266	392	32	775	1,199	35,465
Occupancy	-	120,626	-	-	120,626	120,626
Travel	91,915	15,580	3,408	2,499	21,487	113,402
Knight Fellows cost	763,730	-	-	1,134	1,134	764,864
Awards and project grants	4,484,299	691.00	-	7,000	7,691	4,491,990
Subgrants	2,833,752	-	-	-	-	2,833,752
Subcontracts	234,331	-	-	-	-	234,331
Participant support cost	144,850	-	-	936	936	145,786
Other operating cost	147,863	213,779	1,156	26,095	241,030	388,893
TOTAL	\$ 14,252,438	\$ 2,039,311	\$ 430,977	\$ 568,477	\$ 3,038,765	\$ 17,291,203

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 5,408,945	\$ 8,800,325
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	20,512	27,353
Realized and unrealized gain on investments	(811,051)	(1,014,565)
Change in the measurement of operating lease	496,678	-
Loss on disposal of assets	-	12,409
Discount on long-term grants	(51,739)	(98,322)
Decrease (increase) in:		
Advances and other receivables	166,748	48,212
Grants and pledges receivable	779,563	(1,636,854)
Prepaid expenses	(9,403)	63,886
Deposits	-	23,270
Increase (decrease) in:		
Accounts payable and accrued expenses	148,366	(658,187)
Deferred rent	-	(163,382)
Net cash provided by operating activities	<u>6,148,619</u>	<u>5,404,145</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(539,776)	(1,921,634)
Proceeds from sale of investments	467,327	1,451,955
Purchase of furniture and equipment	<u>(42,573)</u>	<u>(294,599)</u>
Net cash used by investing activities	<u>(115,022)</u>	<u>(764,278)</u>
Net increase in cash and cash equivalents	6,033,597	4,639,867
Cash and cash equivalents at beginning of year	<u>8,225,841</u>	<u>3,585,974</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 14,259,438</u>	<u>\$ 8,225,841</u>
SUPPLEMENTAL INFORMATION		
Right-of-Use Asset, Net of Landlord Allowance in the Amount of \$273,770	<u>\$ 5,007,963</u>	<u>\$ -</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 5,281,733</u>	<u>\$ -</u>

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The International Center for Journalists, Inc. (ICFJ) is at the forefront of the news revolution. ICFJ's programs empower journalists and engage citizens with new technologies and best practices. ICFJ's networks of reporters and media entrepreneurs are transforming the field. ICFJ believes that better journalism leads to better lives.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than ICFJ mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncements adopted -

During 2021, ICFJ early adopted ASU 2019-01, Leases (Topic 842) which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. ICFJ applied the new standard at the inception of a new lease that began in 2021 and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See note 10 for further details.

Cash and cash equivalents -

ICFJ considers all cash and other highly liquid investments, including certificates of deposit, with maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amount of \$2,822,585 and \$2,464,756 for the years ended December 31, 2021 and 2020, respectively.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, ICFJ maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses on undesignated net assets without donor restriction are included in investment income net of investment expenses provided by external investment advisors in the accompanying Statements of Activities and Changes in Net Assets.

Interest, dividends, realized and unrealized gains and losses on Board designated net assets and net assets with donor restriction are included as an other item net of investment expenses paid to external investment advisors in the accompanying Statements of Activities and Changes in Net Assets.

Investment risks and uncertainties -

ICFJ invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Grants and pledges receivable -

Grants and pledges receivable approximate fair value. Receivables that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Furniture, equipment, leasehold improvements and intangible assets purchased in excess of \$2,500 are capitalized and stated at cost. Furniture and equipment are depreciated over the estimated useful lives of the assets, which range from three to five years, using the straight-line method. Leasehold improvements are amortized over the life of the lease. Expenditures for major repairs and maintenance are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred. All equipment purchased with grant funds is expensed the year it is purchased. Depreciation and amortization expense for the years ended December 31, 2021 and 2020 totaled \$20,512 and \$27,353, respectively.

Intangible assets (website) -

Website development costs are amortized over three years once placed in service, using the straight-line method. Costs incurred for the ongoing maintenance of the existing website are expensed as incurred.

Income taxes -

ICFJ is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. ICFJ is not a private foundation.

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Uncertain tax positions -

For the years ended December 31, 2021 and 2020, ICFJ has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Grants, contributions and program fees -

The majority of ICFJ's revenue is received through grants, contributions and program fees including grants from the U.S. and foreign governments, international organizations and private foundations. Grants, contributions and program fees are recognized in the appropriate category of net assets in the period received.

ICFJ performs an analysis of the individual transactions to determine if the revenue they should follow the contributions rules or if they should be considered an exchange transaction, depending on whether the transaction is reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. For grants, contributions and program fees, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Grants, contributions and program fees that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants, contributions and program fees qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. ICFJ did not have any unrecognized conditional awards as of December 31, 2021 and 2020.

Items classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and record revenue when the performance obligations are met. ICFJ has elected to opt out of all (or certain) disclosures not required for nonpublic entities.

Information fees -

Information fees revenue is recognized as performance obligations are satisfied and transaction price is determined based on costs/sales price.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets.

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Functional allocation of expenses (continued) -

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain costs which are not specifically identifiable to a specific function, but benefit several functional areas have been allocated based upon ICFJ's cost allocation policy.

Fair value measurement -

ICFJ adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

ICFJ accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact ICFJ's operations. The overall potential impact is unknown at this time.

New accounting pronouncement (not yet adopted) -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ICFJ plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. **INVESTMENTS**

Investments consisted of the following at December 31, 2021 and 2020:

	Fair Value	
	2021	2020
Money market funds	\$ 2,822,585	\$ 2,464,756
Mutual funds	7,412,543	6,098,763
Corporate bonds and certificates of deposit	546,144	1,199,993
Equities	255,411	389,672
TOTAL INVESTMENTS	\$ 11,036,683	\$ 10,153,184

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

2. INVESTMENTS (Continued)

These balances included donor restricted funds and Board designated funds.

Included in investment income are the following:

	2021	2020
Interest and dividends	\$ 191,756	\$ 136,149
Realized and unrealized gain	811,051	1,014,565
Fees	(48,030)	(38,443)
TOTAL INVESTMENT INCOME	\$ 954,777	\$ 1,112,271

3. GRANTS AND PLEDGES RECEIVABLE

As of December 31, 2021 and 2020 contributors to ICFJ have made unconditional written promises to give, of which \$15,784,729 and \$16,512,553, respectively, remained due and outstanding. Amounts due beyond one year of the Statements of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate of 4.75%.

Following is a schedule of amounts due, by year, as of December 31, 2021 and 2020:

	2021	2020
Foundations and U.S. Government agencies	\$ 15,215,671	\$ 14,525,628
Corporations	374,652	934,482
Individuals and estates	194,406	1,052,443
NET GRANTS AND PLEDGES RECEIVABLE	\$ 15,784,729	\$ 16,512,553

Following is a schedule of maturities, by year, of grants and pledges receivable at December 31, 2021 and 2020:

	2021	2020
Less than one year	\$ 14,912,554	\$ 14,551,117
One to five years	957,000	2,098,000
Total	15,869,554	16,649,117
Less: Allowance to discount balance to present value	(84,825)	(136,564)
TOTAL GRANTS AND PLEDGES RECEIVABLE	\$ 15,784,729	\$ 16,512,553

4. BOARD DESIGNATED NET ASSETS

Long-Term Reserve Fund:

The Long-Term Reserve Fund was established as a reserve for ICFJ's future cash needs. Transfers to or from the Long-Term Reserve Fund or to the Operating Fund must be approved by either the President or the Treasurer. During the years ended December 31, 2021 and 2020, ICFJ approved transfers of \$110,000 and \$153,743, respectively.

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

4. BOARD DESIGNATED NET ASSETS (Continued)

Kay Fanning Visitors' Fund:

The Kay Fanning Visitors' Fund was established to support the Kay Fanning Visitors' Program, which provides visiting journalists with information, resources and on-going support. At the Direction of the Board of Directors, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

Winship Connection Fund:

The Board of Director's established the Winship Connection Fund (the Fund) with a designation of \$300,000 in 2012. The purpose of the Fund is to support the general operations of ICFJ. At the direction of the Board of Directors, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

Ruth Ewing Fund:

The Board of Director's established the Ruth Ewing Fund (the Fund) with a designation of \$300,000 in 2015. The purpose of the Fund is to support the general operations of ICFJ. At the direction of the Board of Directors, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

President's Fund:

The Board of Director's established the President's Fund (the Fund) in 2015, total amounts designated now total \$905,998. The purpose of the Fund is to support the general operations of ICFJ. At the direction of the Board of Directors, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Programs	\$ 31,171,019	\$ 25,931,890
Quasi-Endowment: Special Projects Fund	673,636	695,414
Accumulated Gains on Donor Restricted Endowments	1,701,464	1,358,425
Subject to passage of time:		
General Support	100,000	100,000
Endowments to be invested in perpetuity:		
General Endowment Fund	916,383	916,383
Founders' Fund	752,173	752,173
Kay Fanning Endowment Fund	141,500	141,500
Howard Endowment Fund	<u>587,565</u>	<u>587,565</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 36,043,740</u>	<u>\$ 30,483,350</u>

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The Special Projects Fund was established by contributions from the families of ICFJ's Co-Founders. The Fund was established to enable ICFJ to place itself on the cutting edge of its journalism education business and to respond promptly to unusual demands for its services, including training and international journalism and research.

6. PAYCHECK PROTECTION GRANT

On May 1, 2020, ICFJ received loan proceeds in the amount of \$661,839 under the Paycheck Protection Program (PPP). Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note must be used for certain expenditures within a 24-week period to ultimately be forgiven by the Small Business Administration.

During the year ended December 31, 2020, ICFJ expended and tracked the PPP funds for purposes outlined in the CARES Act guidance and received notification March 2, 2021 that full forgiveness has been received. Under guidance provided in FASB ASC 958-605, ICFJ recognized the PPP funding as a conditional grant for which all conditions have been met. As ICFJ's loan forgiveness by the SBA has already been forgiven there is no barrier to recognition. \$661,839 of grant revenue is recognized on the accompanying Statement of Activities and Changes in Net Assets for the year ended December 31, 2020.

7. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<u>2021</u>	<u>2020</u>
General support (passage of time)	\$ 50,000	\$ 25,000
Programs	<u>19,236,838</u>	<u>15,481,996</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 19,286,838</u>	<u>\$ 15,506,996</u>

Total releases include indirect expenses, which are included in General and Administration in the accompanying Statements of Functional Expenses.

8. RETIREMENT PLAN

ICFJ participates in a retirement plan that covers employees who meet certain employment and age requirements. ICFJ will match an employee's contribution based on the Plan requirements. Retirement plan contributions for 2021 and 2020 totaled \$148,330 and \$131,075, respectively.

9. CONTINGENCY

ICFJ receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

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NOTES TO FINANCIAL STATEMENTS
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9. CONTINGENCY (Continued)

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2021. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

10. LEASE COMMITMENT

During 2020, ICFJ signed a new, 149 month lease with a commencement date of January 1, 2021 and terminated the previous lease. The fee of \$444,278 for canceling the previous lease was covered by the new landlord. The new lease also includes five months of rent abatement and a tenant improvement allowance of up to \$945,773 (\$283,732 of which represents improvements owned by ICFJ).

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. ICFJ elected on January 1, 2021 to early implement the ASU and elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. ICFJ also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. ICFJ adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, ICFJ recorded a right-of-use asset in the amount of \$5,007,863 net of the landlord allowance of \$273,770. ICFJ recorded an operating lease liability in the amount of \$5,281,733 by calculating the present value using the discount rate of .65%.

Minimum lease payments required under the aforementioned leases are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 467,071
2023	478,789
2024	490,767
2025	503,006
2026	515,592
Thereafter	<u>3,631,112</u>
	<u>\$ 6,086,337</u>

Lease expense for the years ended December 31, 2021 and 2020 was \$490,736 and \$120,626, respectively.

11. CONCENTRATION OF REVENUE

During 2021 and 2020, approximately 21% and 22%, respectively of ICFJ's revenue without donor restrictions was earned from grants awarded directly or indirectly by agencies of the United States Government. In addition, during 2021 and 2020 approximately 60% and 50%, respectively of ICFJ's revenue without donor restrictions was earned from grants from one corporate donor.

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NOTES TO FINANCIAL STATEMENTS
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11. CONCENTRATION OF REVENUE (Continued)

Approximately 31% and 27%, respectively of ICFJ's total revenue for the years ended December 31, 2021 and 2020, respectively, was derived from grants awarded directly or indirectly by agencies of the United States Government. Approximately 47% and 40%, respectively of ICFJ's total revenue was earned from grants from one corporate donor. Management of ICFJ has no reason to believe that relationships with these donors will be discontinued in the foreseeable future. However, any interruption with respect to these relationships (i.e. the failure to renew grant agreements or withholding of funds) could potentially affect ICFJ's ability to finance ongoing operations.

12. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, ICFJ has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market ICFJ has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the years ended December 31, 2021 and 2020. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - The money market fund is an open-end funds that are registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by ICFJ are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by ICFJ are deemed to be actively traded.
- *Corporate bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

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**NOTES TO FINANCIAL STATEMENTS
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12. FAIR VALUE MEASUREMENT (Continued)

- *Equities* - Fair value is based upon the closing price reported on the active market in which the individual equities are traded.

The table below summarizes, by level within the fair value hierarchy, ICFJ's investments as of December 31, 2021:

	2021			Total
	Level 1	Level 2	Level 3	
Asset Class:				
Money market funds	\$ 2,822,585	\$ -	\$ -	\$ 2,822,585
Mutual funds	7,412,543	-	-	7,412,543
Corporate bonds and certificates of deposit	-	546,144	-	546,144
Equities	<u>255,411</u>	<u>-</u>	<u>-</u>	<u>255,411</u>
TOTAL	<u>\$10,490,539</u>	<u>\$ 546,144</u>	<u>\$ -</u>	<u>\$ 11,036,683</u>

The table below summarizes, by level within the fair value hierarchy, ICFJ's investments as of December 31, 2020:

	2020			Total
	Level 1	Level 2	Level 3	
Asset Class:				
Money market funds	\$ 2,464,756	\$ -	\$ -	\$ 2,464,756
Mutual funds	6,098,763	-	-	6,098,763
Corporate bonds and certificates of deposit	-	1,199,993	-	1,199,993
Equities	<u>389,672</u>	<u>-</u>	<u>-</u>	<u>389,672</u>
TOTAL	<u>\$ 8,953,191</u>	<u>\$ 1,199,993</u>	<u>\$ -</u>	<u>\$ 10,153,184</u>

13. ENDOWMENT FUNDS

At December 31, 2021 and 2020, ICFJ's endowment funds consisted of the following:

General Endowment Fund:

The General Endowment Fund's net assets at December 31, 2021 and 2020, consisted of \$916,383. Contributions received are restricted by the donors to remain in-perpetuity. Realized and unrealized gains and losses are accumulated in net assets with donor restrictions (Note 5). At the direction of the Board, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

Founders' Fund:

The Founders' Fund's net assets at December 31, 2021 and 2020, consisted of \$752,173. Contributions received are restricted to remain in-perpetuity. Realized and unrealized gains and losses are accumulated in net assets with donor restrictions (Note 5). At the direction of the Board, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

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13. ENDOWMENT FUNDS (Continued)

Kay Fanning Endowment Fund:

The Kay Fanning Endowment Fund's endowment net assets at December 31, 2021 and 2020, consisted of \$141,500. Contributions received are restricted to remain in-perpetuity. The interest and dividends generated from the contributions are to be used towards the Visitors' Program.

Howard Endowment Fund:

The Howard Endowment Fund was created by a gift received in 2014. endowment net assets related to this fund at December 31, 2021 and 2020 consisted of \$587,565. Contributions received are restricted to remain in-perpetuity. At the direction of the Board, the Organization may spend four percent of a three-year rolling average of the assets in the endowment.

ICFJ's endowment funds consist of donor-restricted endowment funds and funds designated by the governing Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, ICFJ considers a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. ICFJ has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, ICFJ considers the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the Organization.

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NOTES TO FINANCIAL STATEMENTS
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13. ENDOWMENT FUNDS (Continued)

Endowment net asset composition by type of fund as of December 31, 2021, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 2,842,425	\$ -	\$ 2,842,425
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,397,621	2,397,621
Quasi-Endowment (Special Projects Fund)	-	673,636	673,636
Accumulated investment earnings	<u>-</u>	<u>1,701,464</u>	<u>1,701,464</u>
TOTAL	<u>\$ 2,842,425</u>	<u>\$ 4,772,721</u>	<u>\$ 7,615,146</u>

Endowment net asset composition by type of fund as of December 31, 2020, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 2,127,832	\$ -	\$ 2,127,832
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	2,397,621	2,397,621
Quasi-Endowment (Special Projects Fund)	-	695,414	695,414
Accumulated investment earnings	<u>-</u>	<u>1,358,425</u>	<u>1,358,425</u>
TOTAL	<u>\$ 2,127,832</u>	<u>\$ 4,451,460</u>	<u>\$ 6,579,292</u>

Changes in endowment net assets for the years ended December 31, 2021 and 2020, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, at December 31, 2019	\$ 1,625,657	\$ 4,116,461	\$ 5,742,118
Net investment income	293,516	694,515	988,031
Contributions	163,455	-	163,455
Appropriation of endowment assets for general support	(66,818)	(359,516)	(426,334)
Transfer	<u>112,022</u>	<u>-</u>	<u>112,022</u>
Endowment net assets at December 31, 2020	2,127,832	4,451,460	6,579,292
Net investment income	301,893	568,971	870,864
Contributions	330,313	-	330,313
Appropriation of endowment assets for general support	(71,356)	(247,710)	(319,066)
Transfer	<u>153,743</u>	<u>-</u>	<u>153,743</u>
ENDOWMENT NET ASSETS AT DECEMBER 31, 2021	<u>\$ 2,842,425</u>	<u>\$ 4,772,721</u>	<u>\$ 7,615,146</u>

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NOTES TO FINANCIAL STATEMENTS
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13. ENDOWMENT FUNDS (Continued)

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration.

As of December 31, 2021 and 2020, the endowment funds did not have a deficiency related to the fair value of the endowment net assets.

Return Objectives and Risk Parameters -

ICFJ has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that ICFJ must hold in-perpetuity or for a donor-specified period(s) as well as Board designated funds.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to support ICFJ programs on a long-term basis, while achieving reasonable growth. ICFJ's invested funds are intended to achieve their objectives over market cycle time periods.

Returns will be monitored on a quarterly and annual basis by Staff with the expectation that the funds and individual managers will outperform the benchmarks over rolling three-year time periods. The benchmarks will be 1) Consumer Price Index plus 3%; 2) Three-month U.S. Treasury Bill Index plus 3.5%; and 3) An index comprised of a blend of indices whose mix approximates that of each fund's mix.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, ICFJ relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). ICFJ targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

ICFJ's spending policy establishes what is reasonable and prudent spending from ICFJ's endowment funds. During 2015, the Board resolved to use a four percent of a three-year rolling average of assets in the endowment (excluding endowments with spending policies restricted by donors). ICFJ will calculate the average assets in the endowment over the previous three years every September 30th, and earmark four percent for spending in the following year. The Finance and Audit Committee may determine that the spending percentage in any year should be reduced due to insufficient annual income. Annual income in excess of spending will be re-invested in the endowment assets.

ICFJ recognizes that from time to time annual investment returns may fall short of the spending policy in effect. Nonetheless, the Board recognizes the long-term nature of the endowment and the need for positive, real rates of return over market cycle (3 - 5) year time periods.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

14. GRANT FUNDS RESCINDED BY DONORS

During the 2021 and 2020 fiscal years, several donors rescinded grant funds that had previously been committed to ICFJ due to project plan revisions and deteriorating political environments within certain countries.

As a result, \$126,971 and \$543,230, respectively, of grant commitments previously recorded as revenue have been written off in their respective years.

15. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)

Financial assets available for use for general expenditures within one year of the Statements of Financial Position comprise the following at December 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	\$ 14,259,438	\$ 8,225,841
Investments	11,036,683	10,153,184
Advances and other receivables	157,965	324,713
Grants and pledges receivable	15,784,729	16,512,553
Less: Donor restricted funds restricted for purpose	(35,943,740)	(30,383,350)
Less: Board designated funds	(3,854,490)	(3,254,448)

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 1,440,585	\$ 1,578,493
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ICFJ is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, ICFJ 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 ICFJ'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, ICFJ invests cash in excess of daily requirements in short-term investments. Occasionally, the Board designates a portion of any operating surplus to its long-term reserve, which was \$1,012,065 and \$1,126,616 as of December 31, 2021 and 2020, respectively. This is a fund established by the governing Board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

16. SUBSEQUENT EVENTS

In preparing these financial statements, ICFJ has evaluated events and transactions for potential recognition or disclosure through September 26, 2022, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

THE INTERNATIONAL CENTER FOR JOURNALISTS, INC.

SCHEDULE OF ENDOWMENT AND QUASI-ENDOWMENT INVESTMENT ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Contributions, Pledges and Other Additions Received as of December 31, 2021	Less: Pledges Receivable at December 31, 2021	Total Amount Invested at December 31, 2021	Cumulative Appreciation	Fair Value of Total Amount Invested at December 31, 2021
Endowment Net Assets with Donor Restrictions to be Maintained in Perpetuity:					
General Endowment Fund	\$ 916,383	\$ -	\$ 916,383	\$ 610,046	\$ 1,526,429
Founders' Endowment Fund	752,173	-	752,173	693,016	1,445,189
Kay Fanning Endowment Fund	141,500	-	141,500	112,115	253,615
Howard Endowment Fund	587,565	-	587,565	286,287	873,852
	<u>2,397,621</u>	<u>-</u>	<u>2,397,621</u>	<u>1,701,464</u>	<u>4,099,085</u>
Endowment Net Assets with Donor Restriction not Required to be Maintained in Perpetuity:					
Special Projects Fund	499,236	-	499,236	174,400	673,636
Endowment Net Assets without Donor Restriction (Board Designated):					
Kay Fanning Visitors' Fund	344,523	-	344,523	515,613	860,136
Winship Connection Fund	300,000	-	300,000	163,471	463,471
Ruth Ewing Fund	300,000	-	300,000	147,317	447,317
President's Fund	905,998	-	905,998	165,503	1,071,501
	<u>1,850,521</u>	<u>-</u>	<u>1,850,521</u>	<u>991,904</u>	<u>2,842,425</u>
TOTAL	<u>\$ 4,747,378</u>	<u>\$ -</u>	<u>\$ 4,747,378</u>	<u>\$ 2,867,768</u>	<u>\$ 7,615,146</u>