GUARDIAN.ORG FOUNDATION

AUDITED FINANCIAL STATEMENTS

For the Years Ended March 31, 2024 and 2023

GUARDIAN.ORG FOUNDATION

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UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Guardian.Org Foundation

Opinion

We have audited the accompanying financial statements of Guardian.org Foundation (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended March 31, 2024 and 2023, 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 Guardian.org Foundation as of March 31, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended March 31, 2024 and 2023 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. 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 Guardian.org Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Guardian.org Foundation'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 Guardian.org Foundation'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.

UHY LLP

New York, New York
August 02, 2024

GUARDIAN.ORG FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	March 31, 2024	March 31, 2023
ASSETS		
CURRENT ASSETS		
Cash	$ 1,881,376	$ 4,946,163
Total current assets	$ 1,881,376	$ 4,946,163
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Deferred grant revenue	$ 1,645,000	$ 4,522,500
Total current liabilities	1,645,000	4,522,500
NET ASSETS		
Net assets without donor restriction	236,376	423,663
Total net assets	$ 236,376	$ 423,663

See notes to financial statements

GUARDIAN.ORG FOUNDATION
STATEMENTS OF ACTIVITIES

	Years Ended March 31,	
	2024	**2023**
SUPPORT AND REVENUE		
Grants	$ 8,247,500	$ 2,587,500
Individual contributions	183,721	268,785
Contributions in kind	291,841	159,379
Total support and revenue	8,723,062	3,015,664
FUNCTIONAL EXPENSES		
Program expenses	8,617,500	2,612,500
Administrative expenses	292,849	160,181
Total functional expenses	8,910,349	2,772,681
CHANGES IN NET ASSETS	(187,287)	242,983
NET ASSETS, Beginning	423,663	180,680
NET ASSETS, Ending	$ 236,376	$ 423,663

See notes to financial statements

GUARDIAN.ORG FOUNDATION
STATEMENTS OF CASH FLOWS

	Years Ended March 31,	
	2024	2023
OPERATING ACTIVITIES		
Changes in net assets	$ (187,287)	$ 242,983
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Changes in:		
Deferred grant revenue	(2,877,500)	2,197,500
Net cash (used in) provided by operating activities	(3,064,787)	2,440,483
NET (DECREASE) INCREASE IN CASH	(3,064,787)	2,440,483
CASH, Beginning	4,946,163	2,505,680
CASH, End	$ 1,881,376	$ 4,946,163

See notes to financial statements

NOTE 1 — ORGANIZATION

Guardian.Org Foundation (the "Organization"), incorporated on January 26, 2016, is a not-for-profit corporation organized and owned by Scott Trust Limited under the Not-For-Profit Corporation Law of the State of Delaware, and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is organized and operated to educate, advance, and inform public disclosure and citizen participation around the most pressing issues of the time through the support and advancement of independent journalism.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) in the United States of America. Net assets and income, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restriction: None of the Organization’s net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net asset without donor restriction.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid investments with original maturities of three months or less. The Organization maintains cash balances in one financial institution. At times during the year balances may exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits. As of March 31, 2024, the Company had deposits at financial institutions in excess of FDIC insured limits of approximately $1,631,000, and the Company had no cash equivalents.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions received are recorded with donor restriction or without donor restriction, depending on the existence and nature of any donor restrictions. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor or depend on the incurrence of qualifying program expenses, are recognized when the conditions on which they depend are substantially met or to the extent that the expenses are incurred, that is, when the conditional promise becomes unconditional. Grant revenue is recognized as earned. Deferred revenue is recognized when grant is received and has not been earned.

Income Tax Status

The Organization is exempt from taxation under Code Section 501(c)(3) of the Internal Revenue Code. The Organization follows guidance issued by the Financial Accounting Standards Board ("FASB") regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The income tax position taken by the Organization for any years open under the various statutes of limitations are that the Organization continues to be exempt from income taxes and that the Organization does not have unrelated business income that would be subject to income taxes.

The Organization believes that there are no tax positions taken or expected to be taken within 12 months of the reporting date.

One of the Organization’s federal or state information returns are currently under examination by the Internal Revenue Service (“IRS”) or state authorities.

Subsequent Events

For purposes of preparing these financial statements, the Organization considered events through August 2, 2024, the date the financial statements were available to be issued. Unless otherwise stated throughout the Notes to Financial Statements, the Organization noted no subsequent events that require disclosure in or adjustment to the financial statements.

NOTE 3 – GRANT REVENUE

Certain grants become unconditional when the Organization timely submits progress reports to donors by stated dates and the grants are used exclusively for the purposes specified in grant award letters. As of March 31, 2024 and 2023, $3,895,000 and, $5,262,500, respectively, of conditional grants were not reflected in the Organization's statements of activities as the conditions of the grant were not achieved.

The revenue recognized in years ended March 31, 2024 and 2023, that was included in the beginning of the year of deferred grant revenue was $4,522,500 and $2,325,000, respectively.

NOTE 4 – CONCENTRATION OF CREDIT RISK

For the year ended March 31, 2024, the Company had three grantors that comprised 15%, 12%, and 10% of the total grant revenue. For the year ended March 31, 2023, the Company had five grantors that comprised 17%, 14%, 12%, 12%, and 10% of the total grant revenue.

NOTE 5 – CONTRIBUTIONS IN KIND

The Contributions in kind were $291,841 and $159,379, for the years ended March 31, 2024 and 2023, respectively. The Organization records contributions and corresponding expenses for donated salaries, professional expenses and other administrative expenses. The amount recorded is the estimated fair value of the donated expenses.

For the years ended March 31, 2024 and 2023, the Organization recognized revenue and related expenses of $12,331 and $14,602, respectively, for contributed services received from its affiliate, Guardian News & Media Ltd. (the "Limited Company").

For the years ended March 31, 2024 and 2023, the Organization recognized revenue and related expenses of $280,510 and $140,436, respectively, which were paid by Guardian News & Media LLC (the "LLC", an affiliate of the Organization) on behalf of the Organization.

NOTE 6 — LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follow:

		March 31, 2024
Cash and cash equivalents, unrestricted	$	1,881,376
Less: Deferred Grant Revenue		(1,645,000)
Total financial assets available to meet general expenditures within one year	$	236,376

NOTE 6 — LIQUIDITY AND AVAILABILITY (Continued)

The Organization's liquidity mainly relies on cash receipts from revenue earned by receiving grants and providing subgrants, and receiving individual donation and contribution in-kind. The Organization believes it has adequate cash and therefore has no liquidity concern.

NOTE 7 – RELATED PARTIES TRANSACTIONS AND COMMITMENTS

The Organization receives grants from third party funders and makes subgrants to related parties.

During the year ended March 31, 2024, the Organization had conditional grant agreements with the Limited Company in amount of $8,587,500. The Organization paid $5,562,500 during the year ended March 31, 2024 and did not reflect $3,025,000 in its financial statements as the conditions of the grant were not yet achieved. The Organization is expected to grant the Limited Company $3,025,000, during the year ended March 31, 2025.

During the year ended March 31, 2024, the Organization had conditional grant agreements with the LLC in the amount of $3,480,000. The Organization paid $3,055,000 to the LLC during the year ended March 31, 2024 and did not reflect $425,000, in its financial statements as the conditions of the grant were not yet achieved. The Organization is expected to grant the LLC $425,000, during the year ended March 31, 2025.

During the year ended March 31, 2023, the Organization had conditional grant agreements with the Limited Company in amount of $5,065,000. The Organization paid $1,512,500 during the year ended March 31, 2023 and did not reflect $3,552,500 in its financial statements as the conditions of the grant were not yet achieved during the year ended March 31, 2023.

During the year ended March 31, 2023, the Organization had conditional grant agreements with the LLC in the amount of $2,775,000. The Organization paid $1,100,000 to the LLC during the year ended March 31, 2023 and did not reflect $1,675,000 in its financial statements as the conditions of the grant were not yet achieved during the year ended March 31, 2023.

Program expenses with related parties for the years ended March 31, 2024 and 2023 are as follows:

	2024	2023
Guardian News & Media Ltd.	$ 5,562,500	$ 1,512,500
Guardian News & Media LLC	3,055,000	1,100,000
	$ 8,617,500	$ 2,612,500

NOTE 8 — FUNCTIONAL EXPENSES

Expenses are reported to each program and support function based on actual expense incurred, and are as follows for the years ended March 31, 2024 and 2023:

	Years Ended March 31,					
	2024			2023		
	Program and Other Direct Expenses	**General and Administrative Expenses**	**Total Expenses**	Program and Other Direct Expenses	General and Administrative Expenses	Total Expenses
Program	**$ 8,617,500**	**$ -**	**$ 8,617,500**	$ 2,612,500	$ -	$ 2,612,500
Salaries and fringe benefits	**-**	**133,332**	**133,332**	-	118,558	118,558
Accounting	**-**	**41,127**	**41,127**	-	31,061	31,061
Legal	**-**	**93,854**	**93,854**	-	9,610	9,610
Other expenses	**-**	**24,536**	**24,536**	-	952	952
	$ 8,617,500	**$ 292,849**	**$ 8,910,349**	$ 2,612,500	$ 160,181	$ 2,772,681

Management utilizes certain methods to allocate expenses to the various functional categories. The direct allocation is the preferred method when it is reasonable efficient and management assigns each expense to a functional category based on actual usage.