

Chalkbeat, Inc.

Financial Statements

June 30, 2021 and 2020

Independent Auditors' Report

Board of Directors Chalkbeat, Inc.

We have audited the accompanying financial statements of Chalkbeat, Inc. ("Chalkbeat"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chalkbeat, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of financial position by bureau and statement of activities and change in net assets by bureau, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

PKF O'Connor Davies, LLP

December 17, 2021

Chalkbeat, Inc.

Statements of Financial Position

	June 30	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 4,681,223	\$ 3,328,003
Certificates of deposit	206,200	407,524
Grants receivable, net	2,254,039	2,138,095
Accounts receivable	128,095	63,312
Prepaid expenses	141,328	184,065
Other assets	19,457	45,475
	<u>\$ 7,430,342</u>	<u>\$ 6,166,474</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 243,712	\$ 73,253
Refundable advance	-	402,580
Deferred revenue	85,919	30,450
Total Liabilities	<u>329,631</u>	<u>506,283</u>
Net Assets		
Without donor restrictions	1,235,239	689,782
With donor restrictions	5,865,472	4,970,409
Total Net Assets	<u>7,100,711</u>	<u>5,660,191</u>
	<u>\$ 7,430,342</u>	<u>\$ 6,166,474</u>

See notes to financial statements

Chalkbeat, Inc.

Statements of Activities and Change in Net Assets

	Year Ended June 30					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Sponsorships and reader services	\$ 725,667	\$ -	\$ 725,667	\$ 405,807	\$ -	\$ 405,807
Corporate and foundation grants	857,759	5,809,100	6,666,859	1,044,603	4,709,100	5,753,703
Government grant	402,580	-	402,580	703,923	-	703,923
Individuals donations, including donated services and materials of \$185,700 and \$305,808 in 2021 and 2020	2,126,051	800,000	2,926,051	868,721	-	868,721
Other revenue	34,370	-	34,370	18,818	-	18,818
Net assets released from restrictions	5,714,037	(5,714,037)	-	4,654,181	(4,654,181)	-
Total Support and Revenue	<u>9,860,464</u>	<u>895,063</u>	<u>10,755,527</u>	<u>7,696,053</u>	<u>54,919</u>	<u>7,750,972</u>
EXPENSES						
Program services	6,480,490	-	6,480,490	5,806,550	-	5,806,550
Management and general	2,008,267	-	2,008,267	1,544,458	-	1,544,458
Fundraising	826,250	-	826,250	819,169	-	819,169
Total Expenses	<u>9,315,007</u>	<u>-</u>	<u>9,315,007</u>	<u>8,170,177</u>	<u>-</u>	<u>8,170,177</u>
Change in Net Assets	545,457	895,063	1,440,520	(474,124)	54,919	(419,205)
NET ASSETS						
Beginning of year	<u>689,782</u>	<u>4,970,409</u>	<u>5,660,191</u>	<u>1,163,906</u>	<u>4,915,490</u>	<u>6,079,396</u>
End of year	<u>\$ 1,235,239</u>	<u>\$ 5,865,472</u>	<u>\$ 7,100,711</u>	<u>\$ 689,782</u>	<u>\$ 4,970,409</u>	<u>\$ 5,660,191</u>

See notes to financial statements

Chalkbeat, Inc.

Statements of Functional Expenses

	Year Ended June 30							
	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
EXPENSES								
Salaries and wages	\$ 4,385,343	\$ 947,982	\$ 610,770	\$ 5,944,095	\$ 4,111,166	\$ 679,673	\$ 568,476	\$ 5,359,315
Benefits	709,552	162,727	74,708	946,987	604,777	106,362	64,824	775,963
Payroll taxes	434,786	95,843	55,916	586,545	407,501	66,664	54,303	528,468
Rent and utilities	44,320	112,898	-	157,218	127,982	101,645	9,507	239,134
Professional fees	370,815	558,463	45,692	974,970	217,875	442,066	32,429	692,370
Advertising, marketing, and publicity	31,179	3,246	10,722	45,147	6,241	5,362	22,330	33,933
Meetings and conferences	2,356	5,225	908	8,489	7,291	4,133	5,314	16,738
Dues and subscriptions	7,400	1,544	1,006	9,950	7,133	1,188	1,349	9,670
Office equipment	11,533	6,281	3,068	20,882	12,336	6,497	4,238	23,071
Finance charges and bank fees	25	162	-	187	-	2,716	-	2,716
Insurance	-	19,297	-	19,297	-	16,621	-	16,621
Office supplies	1,973	188	40	2,201	1,097	741	391	2,229
Professional development	14,050	16,253	549	30,852	40,666	29,186	3,685	73,537
Software as a service	90,833	54,436	9,229	154,498	79,183	28,137	6,628	113,948
Website management	313,494	-	-	313,494	80,000	-	-	80,000
Community events	791	-	3,940	4,731	8,677	-	2,358	11,035
Printing and publications	133	3	1,146	1,282	1,654	453	296	2,403
Postage and delivery	328	769	567	1,664	463	480	268	1,211
Telephone and internet	58,248	21,371	7,924	87,543	34,463	5,474	3,851	43,788
Travel	3,172	836	63	4,071	43,060	5,673	36,783	85,516
Other expenses	159	743	2	904	14,985	41,387	2,139	58,511
Total Expenses	<u>\$ 6,480,490</u>	<u>\$ 2,008,267</u>	<u>\$ 826,250</u>	<u>\$ 9,315,007</u>	<u>\$ 5,806,550</u>	<u>\$ 1,544,458</u>	<u>\$ 819,169</u>	<u>\$ 8,170,177</u>

See notes to financial statements

Chalkbeat, Inc.

Statements of Cash Flows

	Year Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,440,520	\$ (419,205)
Adjustments to reconcile change in net assets to net cash from operating activities		
Forgiven Paycheck Protection Program loan	(402,580)	(703,923)
Changes in operating assets and liabilities		
Grants receivable	(115,944)	119,643
Accounts receivable	(64,783)	(487)
Prepaid expenses	42,737	(79,094)
Other assets	26,018	(8,350)
Accounts payable and accrued expenses	170,459	(17,371)
Deferred revenue	55,469	11,850
Net Cash from Operating Activities	1,151,896	(1,096,937)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in certificates of deposit	201,324	(7,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program loan	-	1,106,503
Net Change in Cash and Cash Equivalents	1,353,220	2,042
CASH AND CASH EQUIVALENTS		
Beginning of year	3,328,003	3,325,961
End of year	\$ 4,681,223	\$ 3,328,003

See notes to financial statements

Chalkbeat, Inc.

Notes to Financial Statements June 30, 2021 and 2020

1. Organization

Chalkbeat, Inc. (“Chalkbeat”), formerly Education News Network, Inc., is a nonprofit news organization covering educational change efforts and other critical topics in communities where improvement matters most. Chalkbeat has bureaus in New York, Colorado, Philadelphia, Indiana, Tennessee, Detroit, Chicago and Newark. In addition to the local bureau coverage, Chalkbeat reports at a national level. Chalkbeat’s mission is to inform the decisions and actions that lead to better outcomes for children and families by providing deep, local coverage of education policy and practice and other critical topics.

Chalkbeat is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code and has been classified as a public charity under Section 170(b).

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Donor-Imposed Restrictions, Grants, Donations and Contributions

Chalkbeat is required to determine whether contributions are conditional or unconditional. Unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions are accounted for as a liability or are not recognized as revenue initially. Once the barriers to entitlement are overcome, the transaction is recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions. For a donor-imposed condition to exist, a right of return or release must be stated, and the agreement must include a performance-related condition or other measurement barrier.

Contributions of assets other than cash are recorded at the estimated fair value.

Sponsorships and Reader Services

Sponsorships and reader services are recognized as performance obligations to Chalkbeat’s customers are satisfied. Management has determined that its contracts with customers contain one performance obligation to promote education job listings or to assist customers in spreading their message by inclusion on Chalkbeat’s website and/or newsletter. The duration of services provided is determined by the terms of the contract with Chalkbeat’s customer. As such, performance obligations are satisfied at either a point in time or over time.

Chalkbeat, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies *(continued)*

Sponsorships and Reader Services (continued)

Cash received in advance of the service provided is recorded as deferred revenue in the accompanying statements of financial position.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Without donor restrictions – consist of resources available for the general support of Chalkbeat's operations. These net assets may be used at the discretion of Chalkbeat's management and Board of Directors (the "Board").

With donor restrictions – represents amounts restricted by donors to be used for specific activities or at some future date, or which require Chalkbeat to maintain in perpetuity, the income of which can be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions.

Donated Services and Materials

Chalkbeat recognizes donations of services if the services received: (a) create or enhance nonfinancial assets; or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated services that do not meet the above criteria are not recognized.

Chalkbeat recognizes donations of materials at their estimated fair value.

Investments

Investments are classified as available-for-sale and carried at fair value. Unrealized gains and losses on available-for-sale securities are recognized as direct increases or decreases in net assets. It is Chalkbeat's policy to convert donated securities to cash as soon as reasonably possible.

Chalkbeat, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Certificates of Deposit

Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value. The certificate of deposit held at June 30, 2021 matures on January 2, 2022, and bears interest at 0.05% per annum. The certificates of deposit held at June 30, 2020 matured during the year ended June 30, 2021.

Allowance for Doubtful Accounts

When necessary, an allowance for doubtful accounts for accounts and grants receivable will be established through a provision for bad debts charged to expenses. The allowance is an amount that management believes will be adequate to absorb estimated losses on existing unconditional promises to give and is based on prior bad debt experience. Management has determined that no allowances were required at June 30, 2021 and 2020.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to one or more program or supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and employee benefits are allocated on the basis of staff estimates of time and effort. Costs identifiable to a particular function are directly charged to the program or supporting service. Other costs are allocated based on the percentage of overall salary allocation.

Accounting for Uncertainty in Income Taxes

Chalkbeat recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that Chalkbeat had no uncertain tax positions that would require financial statement recognition or disclosure.

Tax years since 2018 remain open to examination. There are currently no examinations in progress.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 17, 2021.

Chalkbeat, Inc.

Notes to Financial Statements June 30, 2021 and 2020

3. Concentration of Credit Risk

Chalkbeat maintains its cash and certificates of deposit in bank deposit accounts with major financial institutions, which, at times, may exceed federally insured limits. Chalkbeat has not experienced any losses in such accounts and believes its cash and certificates of deposit balances are not exposed to any significant risk.

Concentrations of credit risk with respect to receivables are generally diversified due to the large number of corporations, foundations and individuals composing Chalkbeat's donor base.

4. Grants Receivable

Grants receivable which are due after one year are discounted to present value using a discount rate of 0.23% and 0.16% and at June 30, 2021 and 2020. Amortization of the discount is included in corporate and foundation grant support and revenue. Grants receivable, net of discount, at June 30, are summarized as follows:

	<u>2021</u>	<u>2020</u>
Due within one year	\$ 1,980,300	\$ 1,714,452
Due one year to five years	<u>275,000</u>	<u>425,000</u>
Grants Receivable	2,255,300	2,139,452
Less: discount	<u>1,261</u>	<u>1,357</u>
Grants Receivable, Net	<u>\$ 2,254,039</u>	<u>\$ 2,138,095</u>

5. Refundable Advance

On April 28, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. Chalkbeat applied for and received a \$1,106,503 Paycheck Protection Program loan ("PPP Loan") from the U.S Small Business Administration ("SBA"). The PPP Loan has an interest rate of 1.0% per annum, and was scheduled to mature on April 28, 2022. Payments of principal and interest begin in the seventh month of the loan, and interest will accrue during this deferral period. Principal and interest may be eligible for forgiveness if Chalkbeat meets certain requirements of the CARES Act.

Chalkbeat accounted for the PPP Loan using the conditional contribution model whereby Chalkbeat recognizes proceeds from the loan as contribution income as the PPP Loan forgiveness requirements are substantially met and as qualifying expenses are incurred. For the years ended June 30, 2021 and 2020, Chalkbeat recognized \$402,580 and \$703,923 of the PPP Loan proceeds as government grant revenue and the conditions were met.

On June 14, 2021, all proceeds of Chalkbeat's PPP Loan was forgiven by the SBA.

Chalkbeat, Inc.

Notes to Financial Statements June 30, 2021 and 2020

6. Net Assets With Donor Restrictions

At June 30, net assets with donor restrictions that were temporary in nature were available for the following purposes:

	<u>2021</u>	<u>2020</u>
General operating - time restriction	\$ 350,000	\$ 408,000
Localbeat	1,000,000	-
Healthbeat	33,333	-
Votebeat	141,667	-
Editorial, reporting and local audience development	524,812	1,174,441
Education journalism restricted by location	3,553,916	3,147,827
Engagement	-	132,141
COVID-19 response	1,744	48,000
Growth	<u>260,000</u>	<u>60,000</u>
	<u>\$ 5,865,472</u>	<u>\$ 4,970,409</u>

During the years ended June 30, net assets with donor restrictions that were temporary in nature were released from restrictions by incurring expenses for the following donor restricted purposes:

	<u>2021</u>	<u>2020</u>
General operating - time restriction	\$ 58,000	\$ -
Editorial, reporting and local audience development	1,185,201	1,224,347
Education journalism restricted by location	4,084,511	3,214,037
Engagement	132,141	180,024
Detroit expansion	-	35,773
Media expansion	74,428	-
Votebeat	133,500	-
COVID-19 response	<u>46,256</u>	<u>-</u>
	<u>\$ 5,714,037</u>	<u>\$ 4,654,181</u>

Chalkbeat, Inc.

Notes to Financial Statements
June 30, 2021 and 2020

7. Commitments and Contingencies

Operating Leases

Chalkbeat entered into a lease agreement for office space effective March 1, 2019 through October 31, 2020 with rent totaling \$2,000 per month. The lease agreement was subsequently extended through November 2021 with rent totaling \$2,500 per month.

Chalkbeat entered into a lease agreement for office space effective August 1, 2021 through November 29, 2025 with rent totaling approximately \$20,000 per month, and an annual 3% increase. Chalkbeat also entered into a lease agreement for office space effective August 1, 2021 through July 31, 2023 with rent totaling approximately \$1,500 per month.

Future minimum rents to be paid under the terms of the leases are as follows:

Fiscal Year Ending	
2022	\$ 309,138
2023	277,578
2024	251,987
2025	256,125
2026	<u>108,839</u>
Total	<u>\$ 1,203,667</u>

In addition, Chalkbeat enters into several lease and sublease agreements to rent office space at each of its bureaus, with terms of one year or less, and with monthly rents ranging from approximately \$630 to \$2,500 at June 30, 2021 and \$80 to \$2,600 at June 30, 2020.

For the years ended June 30, 2021 and 2020, rent and utilities totaled \$157,218 and \$239,134.

8. Related Party Transactions

During the years ended June 30, 2021 and 2020, Chalkbeat received contributions from Board members and their related foundations totaling approximately \$627,500 and \$438,000, which are included in support and revenue in the accompanying statements of activities and change in net assets.

Chalkbeat, Inc.

Notes to Financial Statements June 30, 2021 and 2020

9. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of statement of financial position date, comprise of the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,681,223	\$ 3,328,003
Certificates of deposit	206,200	407,524
Grants receivable, net	2,254,039	2,138,095
Accounts receivable	<u>128,095</u>	<u>63,312</u>
Total Financial Assets	7,269,557	5,936,934
Less: amounts restricted by donor with time or purpose restriction	(5,865,472)	(4,970,409)
Less: time and purpose restriction expected to release the next year	<u>4,564,248</u>	<u>3,617,953</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 5,968,333</u>	<u>\$ 4,584,478</u>

Chalkbeat's working capital and cash flows are driven by revenue streams of sponsorships and reader services, foundation grants, and individual donations, Chalkbeat will continue to rely on support from these revenue streams in order to meet its general expenditure requirements.

10. Risks and Contingencies

Chalkbeat experienced some financial and operational impacts due to the coronavirus (COVID-19) outbreak in March 2020, similar to other nonprofit and for profit organizations. Chalkbeat applied for and received a PPP loan from the SBA (see note 5). In June 2021, the SBA granted Chalkbeat forgiveness for all proceeds from the PPP loan.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (the "American Rescue Plan") which included additional economic stimulus and tax credits. Chalkbeat continues to examine the potential future impact that the American Rescue Plan will have on its financial condition and operations.

Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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Chalkbeat, Inc.

Supplementary Information

June 30, 2021

Chalkbeat, Inc.

Statements of Financial Position By Bureau (Unaudited) June 30, 2021

	Network	National	Chicago	Colorado	Indiana	New York	Tennessee	Detroit	Newark	Philadelphia	Healthbeat	Localbeat	Votebeat	Total
ASSETS														
Cash and cash equivalents	\$ 845,941	\$ 447,354	\$ 655,788	\$ -	\$ 136,623	\$ 503,774	\$ 53,620	\$ 395,003	\$ 351,352	\$ 361,025	\$ 33,333	\$ 500,000	\$ 397,410	\$ 4,681,223
Certificate of deposit	206,200	-	-	-	-	-	-	-	-	-	-	-	-	206,200
Grants receivable, net	1,157,039	-	50,000	50,000	25,000	75,000	175,000	262,000	75,000	85,000	-	300,000	-	2,254,039
Accounts receivable	10,299	50,366	-	20,000	3,419	41,783	25	-	1,000	591	-	-	612	128,095
Prepaid expenses	121,508	-	2,083	395	-	248	-	80	-	-	-	-	17,014	141,328
Other assets	13,825	-	5,000	632	-	-	-	-	-	-	-	-	-	19,457
	<u>\$ 2,354,812</u>	<u>\$ 497,720</u>	<u>\$ 712,871</u>	<u>\$ 71,027</u>	<u>\$ 165,042</u>	<u>\$ 620,805</u>	<u>\$ 228,645</u>	<u>\$ 657,083</u>	<u>\$ 427,352</u>	<u>\$ 446,616</u>	<u>\$ 33,333</u>	<u>\$ 800,000</u>	<u>\$ 415,036</u>	<u>\$ 7,430,342</u>
LIABILITIES AND NET ASSETS														
Liabilities														
Accounts payable and accrued expenses	\$ 211,018	\$ 710	\$ 981	\$ 681	\$ 350	\$ 142	\$ 168	\$ 2,459	\$ 84	\$ 2,127	\$ -	\$ -	\$ 24,992	\$ 243,712
Deferred revenue	-	54,000	1,139	25,700	1,840	700	1,140	700	700	-	-	-	-	85,919
Total Liabilities	<u>211,018</u>	<u>54,710</u>	<u>2,120</u>	<u>26,381</u>	<u>2,190</u>	<u>842</u>	<u>1,308</u>	<u>3,159</u>	<u>784</u>	<u>2,127</u>	<u>-</u>	<u>-</u>	<u>24,992</u>	<u>329,631</u>
NET ASSETS (DEFICIT)														
Without donor restrictions	257,158	442,710	266,000	(173,152)	(35,446)	198,739	(138,400)	(20,453)	97,375	92,331	-	-	248,377	1,235,239
With donor restrictions	1,886,636	300	444,751	217,798	198,298	421,224	365,737	674,377	329,193	352,158	33,333	800,000	141,667	5,865,472
	<u>2,143,794</u>	<u>443,010</u>	<u>710,751</u>	<u>44,646</u>	<u>162,852</u>	<u>619,963</u>	<u>227,337</u>	<u>653,924</u>	<u>426,568</u>	<u>444,489</u>	<u>33,333</u>	<u>800,000</u>	<u>390,044</u>	<u>7,100,711</u>
	<u>\$ 2,354,812</u>	<u>\$ 497,720</u>	<u>\$ 712,871</u>	<u>\$ 71,027</u>	<u>\$ 165,042</u>	<u>\$ 620,805</u>	<u>\$ 228,645</u>	<u>\$ 657,083</u>	<u>\$ 427,352</u>	<u>\$ 446,616</u>	<u>\$ 33,333</u>	<u>\$ 800,000</u>	<u>\$ 415,036</u>	<u>\$ 7,430,342</u>

Chalkbeat, Inc.

Statement of Activities and Change in Net Assets By Bureau (Unaudited) For the Year Ended June 30, 2021

	Network	National	Chicago	Colorado	Indiana	New York	Tennessee	Detroit	Newark	Philadelphia	Healthbeat	Localbeat	Votebeat	Total
SUPPORT AND REVENUE														
Sponsorships and reader services	\$ 5,177	\$ 255,985	\$ 20,567	\$ 121,868	\$ 29,618	\$ 199,591	\$ 16,247	\$ 14,074	\$ 10,309	\$ 51,747	\$ -	\$ -	\$ 484	\$ 725,667
Corporate and foundation grants	870,561	638,628	431,400	452,845	200,000	784,732	737,000	677,150	226,122	479,421	33,333	800,000	335,667	6,666,859
Government grant	223,411	29,903	-	44,915	30,725	46,006	27,620	-	-	-	-	-	-	402,580
Individuals donations	2,624,641	-	6,362	40,126	9,587	32,157	6,804	6,218	1,892	40,890	-	-	157,374	2,926,051
Inter-bureau revenue	(504,512)	29,576	38,680	281,561	29,576	38,680	29,576	29,576	13,657	13,630	-	-	-	-
Other revenue	9,273	9,107	694	4,050	984	6,633	540	468	332	2,273	-	-	16	34,370
Total Support and Revenue	3,228,551	963,199	497,703	945,365	300,490	1,107,799	817,787	727,486	252,312	587,961	33,333	800,000	493,541	10,755,527
EXPENSES														
Salaries and wages	2,184,353	458,664	528,046	618,060	356,748	567,254	388,495	365,025	184,523	228,937	-	-	63,990	5,944,095
Benefits	570,911	39,129	76,252	47,307	31,385	69,405	40,459	28,141	10,950	20,818	-	-	12,230	946,987
Payroll taxes	371,150	27,560	28,658	33,302	18,170	34,053	20,514	20,461	11,161	15,066	-	-	6,450	586,545
Rent and utilities	112,899	7,334	23,332	3,358	-	6,666	1,037	2,592	-	-	-	-	-	157,218
Professional fees	665,011	21,642	31,704	67,182	25,818	31,224	23,561	26,010	11,375	65,110	-	-	6,333	974,970
Advertising, marketing, and publicity	41,254	422	654	511	363	1,363	215	273	76	16	-	-	-	45,147
Meetings and conferences	6,178	220	437	504	270	381	170	186	47	96	-	-	-	8,489
Dues and subscriptions	2,833	950	1,256	2,433	592	370	936	371	179	30	-	-	-	9,950
Office equipment	7,313	369	1,916	358	408	369	315	2,221	1,170	3,391	-	-	3,052	20,882
Finance charges and bank fees	162	-	-	-	-	-	-	-	-	25	-	-	-	187
Insurance	18,495	-	-	-	-	-	-	-	-	802	-	-	-	19,297
Office supplies	247	177	356	333	180	172	281	137	92	175	-	-	51	2,201
Professional development	18,290	1,594	2,462	1,604	1,992	1,411	744	1,834	671	250	-	-	-	30,852
Software as a service	22,928	13,453	17,994	21,857	13,808	18,395	13,817	13,793	6,724	8,221	-	-	3,508	154,498
Website management	45,042	27,448	36,714	44,596	28,174	37,534	28,192	28,143	13,720	16,773	-	-	7,158	313,494
Community events	3,947	5	6	44	155	6	5	5	277	281	-	-	-	4,731
Printing and publications	1,149	-	-	31	35	-	32	-	-	35	-	-	-	1,282
Postage and delivery	1,344	8	148	12	85	25	27	8	3	4	-	-	-	1,664
Telephone and internet	35,135	6,596	7,717	9,472	5,598	8,355	4,782	3,517	2,722	2,924	-	-	725	87,543
Travel	911	254	766	252	135	281	362	933	149	28	-	-	-	4,071
Other expenses	(748,807)	87,784	116,756	122,817	69,404	112,517	75,378	71,033	37,478	56,544	-	-	-	904
Total Expenses	3,360,745	693,609	875,174	974,033	553,320	889,781	599,322	564,683	281,317	419,526	-	-	103,497	9,315,007
Change in Net Assets	(132,194)	269,590	(377,471)	(28,668)	(252,830)	218,018	218,465	162,803	(29,005)	168,435	33,333	800,000	390,044	1,440,520
NET ASSETS (DEFICIT)														
Without donor restrictions, beginning of year	505,136	173,706	48,028	(184,400)	14,444	227,790	(104,186)	(58,138)	67,402	-	-	-	-	689,782
Change in net assets	(247,978)	269,004	217,972	11,248	(49,890)	(29,051)	(34,214)	37,685	29,973	92,331	-	-	248,377	545,457
Without donor restrictions, end of year	257,158	442,710	266,000	(173,152)	(35,446)	198,739	(138,400)	(20,453)	97,375	92,331	-	-	248,377	1,235,239
With donor restrictions, beginning of year	1,770,852	(286)	1,040,194	257,714	401,238	174,155	113,058	549,259	388,171	276,054	-	-	-	4,970,409
Change in net assets	115,784	586	(595,443)	(39,916)	(202,940)	247,069	252,679	125,118	(58,978)	76,104	33,333	800,000	141,667	895,063
With donor restrictions, end of year	1,886,636	300	444,751	217,798	198,298	421,224	365,737	674,377	329,193	352,158	33,333	800,000	141,667	5,865,472
Total Net Assets, End of Year	\$ 2,143,794	\$ 443,010	\$ 710,751	\$ 44,646	\$ 162,852	\$ 619,963	\$ 227,337	\$ 653,924	\$ 426,568	\$ 444,489	\$ 33,333	\$ 800,000	\$ 390,044	\$ 7,100,711

Independent auditors' report