

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Society of Environmental Journalists, Inc.  
Washington, D.C.

### ***Opinion***

We have audited the financial statements of Society of Environmental Journalists, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Society of Environmental Journalists, Inc. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years 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 (GAAS). 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 Society of Environmental Journalists, Inc. 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 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 Society of Environmental Journalists, Inc.'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 GAAS 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 GAAS, 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 Society of Environmental Journalists, Inc.'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 Society of Environmental Journalists, Inc.'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.

Wegner CPAs, LLP  
Alexandria, Virginia  
June 22, 2023

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Cash	\$ 744,842	\$ 1,279,762
Accounts receivable	6,010	9,132
Unconditional promises to give	446,600	368,200
Prepaid expenses	41,396	66,957
Equipment	3,599	3,599
Accumulated depreciation	(2,926)	(2,626)
Investments	1,434,971	1,259,303
<b>Total assets</b>	<b>\$ 2,674,492</b>	<b>\$ 2,984,327</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 23,292	\$ 19,578
Deferred revenue	40,237	14,642
Refundable advances	199,916	835,000
Total liabilities	263,445	869,220
<b>NET ASSETS</b>		
Without donor restrictions	1,536,291	932,745
With donor restrictions	874,756	1,182,362
Total net assets	2,411,047	2,115,107
<b>Total liabilities and net assets</b>	<b>\$ 2,674,492</b>	<b>\$ 2,984,327</b>

See accompanying notes.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Grants and contributions	\$ 97,334	\$ 1,763,143	\$ 1,860,477	\$ 92,388	\$ 849,590	\$ 941,978
Conference revenue	517,955	-	517,955	16,000	-	16,000
Membership fees	58,145	-	58,145	63,463	-	63,463
Mailing list rentals	30,690	-	30,690	35,078	-	35,078
Investment return, net	(24,754)	(49,104)	(73,858)	18,040	41,382	59,422
Awards revenue	40,423	-	40,423	35,052	-	35,052
Miscellaneous revenue	-	-	-	200	-	200
Paycheck Protection Program assistance	-	-	-	80,000	-	80,000
Families First Coronavirus Response Act assistance	-	-	-	82,916	-	82,916
<b>Total support and revenue</b>	<b>719,793</b>	<b>1,714,039</b>	<b>2,433,832</b>	<b>423,137</b>	<b>890,972</b>	<b>1,314,109</b>
<b>EXPENSES</b>						
Program Services						
Conference	459,051	-	459,051	90,331	-	90,331
Fund for Environmental Journalism	1,026,779	-	1,026,779	706,070	-	706,070
Awards	106,630	-	106,630	137,365	-	137,365
Membership Services	39,324	-	39,324	66,912	-	66,912
Publications	154,187	-	154,187	191,318	-	191,318
<b>Total program services</b>	<b>1,785,971</b>	<b>-</b>	<b>1,785,971</b>	<b>1,191,996</b>	<b>-</b>	<b>1,191,996</b>
Supporting Activities						
Management and General	266,098	-	266,098	228,569	-	228,569
Fundraising	85,823	-	85,823	93,857	-	93,857
<b>Total expenses</b>	<b>2,137,892</b>	<b>-</b>	<b>2,137,892</b>	<b>1,514,422</b>	<b>-</b>	<b>1,514,422</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of purpose restrictions	1,420,395	(1,420,395)	-	465,417	(465,417)	-
Expiration of time restrictions	601,250	(601,250)	-	668,292	(668,292)	-
<b>Net assets released from restrictions</b>	<b>2,021,645</b>	<b>(2,021,645)</b>	<b>-</b>	<b>1,133,709</b>	<b>(1,133,709)</b>	<b>-</b>
<b>Change in net assets</b>	<b>603,546</b>	<b>(307,606)</b>	<b>295,940</b>	<b>42,424</b>	<b>(242,737)</b>	<b>(200,313)</b>
Net assets at beginning of year	932,745	1,182,362	2,115,107	890,321	1,425,099	2,315,420
<b>Net assets at end of year</b>	<b>\$ 1,536,291</b>	<b>\$ 874,756</b>	<b>\$ 2,411,047</b>	<b>\$ 932,745</b>	<b>\$ 1,182,362</b>	<b>\$ 2,115,107</b>

See accompanying notes.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2022

	Program Services					Supporting Activities		Total Expenses
	Conference	Fund for Environmental Journalism	Awards	Membership Services	Publications	Management and General	Fundraising	
Personnel	\$ 144,759	\$ 28,453	\$ 49,752	\$ 35,000	\$ 18,396	\$ 61,402	\$ 69,266	\$ 407,028
Awards	-	973,542	16,875	-	-	-	-	990,417
Bank and credit card fees	-	-	-	-	-	11,380	-	11,380
Consultants	29,622	21,268	27,857	-	133,519	133,128	8,000	353,394
Depreciation expense	-	-	-	-	-	300	-	300
Facilities, catering, and audio visual	180,683	-	-	-	-	-	-	180,683
Insurance	2,660	523	914	643	338	1,128	1,274	7,480
Office supplies	12,452	2,448	4,280	3,011	1,582	5,282	5,958	35,013
Payroll fees	-	-	-	-	-	2,387	-	2,387
Postage, shipping, and copying	-	-	-	-	-	5,496	-	5,496
Printing	7,072	-	6,000	-	-	-	-	13,072
Professional fees	-	-	-	-	-	34,729	-	34,729
Rent and utilities	1,317	259	453	319	167	559	630	3,704
Repairs and maintenance	-	-	-	-	-	999	-	999
Telephone and online fees	1,453	286	499	351	185	616	695	4,085
Transportation and online fees	20,021	-	-	-	-	-	-	20,021
Travel - board meetings	-	-	-	-	-	7,318	-	7,318
Travel - conferences	59,012	-	-	-	-	-	-	59,012
Website maintenance	-	-	-	-	-	1,374	-	1,374
<b>Total expenses</b>	<b>\$ 459,051</b>	<b>\$ 1,026,779</b>	<b>\$ 106,630</b>	<b>\$ 39,324</b>	<b>\$ 154,187</b>	<b>\$ 266,098</b>	<b>\$ 85,823</b>	<b>\$ 2,137,892</b>

See accompanying notes.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2021

	Program Services					Supporting Activities		Total Expenses
	Conference	Fund for Environmental Journalism	Awards	Membership Services	Publications	Management and General	Fundraising	
Personnel	\$ 79,023	\$ 25,518	\$ 98,407	\$ 61,249	\$ 16,607	\$ 73,437	\$ 83,168	\$ 437,409
Awards	-	678,192	18,060	-	-	-	-	696,252
Bank and credit card fees	-	-	-	-	-	5,868	-	5,868
Consultants	4,000	-	5,298	-	173,175	106,691	2,999	292,163
Depreciation expense	-	-	-	-	-	300	-	300
Insurance	936	302	1,165	725	197	870	985	5,180
Office supplies	4,452	1,438	5,544	3,450	936	4,137	4,684	24,641
Payroll fees	-	-	-	-	-	2,514	-	2,514
Postage, shipping, and copying	-	-	-	-	-	2,323	-	2,323
Printing	-	-	6,500	-	-	-	-	6,500
Professional fees	-	-	-	-	-	21,854	-	21,854
Rent and utilities	697	225	868	540	146	648	733	3,857
Repairs and maintenance	-	-	-	-	-	220	-	220
Telephone and online fees	1,094	353	1,362	848	230	1,017	1,151	6,055
Travel - board meetings	129	42	161	100	27	120	137	716
Website maintenance	-	-	-	-	-	8,570	-	8,570
<b>Total expenses</b>	<b>\$ 90,331</b>	<b>\$ 706,070</b>	<b>\$ 137,365</b>	<b>\$ 66,912</b>	<b>\$ 191,318</b>	<b>\$ 228,569</b>	<b>\$ 93,857</b>	<b>\$ 1,514,422</b>

See accompanying notes.



**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 295,940	\$ (200,313)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	300	300
Contributions restricted for long term purposes	(329)	(855)
Net realized and unrealized (gains) losses on investments	98,798	(48,341)
(Increase) decrease in assets		
Accounts receivable	3,122	(3,460)
Unconditional promises to give	(78,400)	21,600
Prepaid expenses	25,561	(5,872)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	3,714	(14,361)
Deferred revenue	25,595	7,792
Refundable advances	(635,084)	785,000
	<u>(260,783)</u>	<u>541,490</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments and interest and dividends reinvested	(916,648)	(30,255)
Proceeds from sales of investments	642,182	19,425
	<u>(274,466)</u>	<u>(10,830)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Endowment contributions received	329	855
	<u>(534,920)</u>	<u>531,515</u>
<b>Change in cash</b>		
Cash at beginning of year	1,279,762	748,247
<b>Cash at end of year</b>	<u>\$ 744,842</u>	<u>\$ 1,279,762</u>

See accompanying notes.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Society of Environmental Journalists, Inc. (SEJ) is a not-for-profit organization, incorporated in Washington D.C. SEJ's mission is to advance public understanding of environmental issues by improving the quality, accuracy and visibility of environmental news reporting. SEJ's programs include an annual conference, a comprehensive website, print and electronic publications, regional events, diversity program, and environmental journalism awards. The purpose of SEJ is to build a stronger, better educated, and more closely connected network of journalists and editors in all media who cover environment related issues, and through that network, to improve and increase news coverage of critically important environmental issues through programs and services designed by and for journalists. SEJ is independent and nonpartisan. SEJ's revenues come primarily through grants and contributions, as well as its annual conference.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from customers for various services and meetings provided by SEJ. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2022 and 2021, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Equipment**

Equipment is recorded at cost if purchased and at fair value if donated; depreciation is computed on a straight-line basis over their estimated useful lives ranging from five to ten years. All property and equipment purchased with an estimated useful life over one year and cost greater than \$1,500 is capitalized.

**Investments**

SEJ reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Refundable Advances**

Refundable advances consists of unexpended grant awards received under a cost-reimbursement grant accounted for as a conditional contribution.

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue Recognition**

Conference revenue and mailing lists are recognized as revenue when SEJ provides the mailing list or when the conference is held. Revenue for the conference includes sponsorships in addition to registration and exhibit fees. The portion of sponsorships considered a contribution is conditioned upon the meeting taking place and is recognized as revenue when the meeting is held.

SEJ's annual membership period is the calendar year. SEJ generally bills members in advance of the applicable membership period and membership dues received in advance of the applicable membership period are deferred and recognized in that future period. Membership dues are nonrefundable.

Deferred revenue represents membership dues received in advance and sponsorships received in advance for conferences taking place in the following year. Deferred revenue at December 31, 2022 included \$20,000 of sponsorships conditioned upon next year's conference taking place.

**Paycheck Protection Program Loans**

SEJ received loans under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loans will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. SEJ expects to meet the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. SEJ recognizes amounts expected to be forgiven as revenue when it incurs qualifying expenses.

**Advertising**

Advertising costs are expensed in the year incurred.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, insurance, office supplies, rent and utilities, telephone and online fees, and travel – board meetings, which are allocated based on estimates of time, effort, and use.

**Estimates**

The preparation of financial statements 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. Actual results could differ from those estimates.

**Income Tax Status**

SEJ is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, SEJ qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Date of Management’s Review**

Management has evaluated subsequent events through June 22, 2023, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS

**Credit Risk**

SEJ maintains its cash balances in two financial institutions located in Washington, D.C. and New York, New York. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022 and 2021, SEJ’s uninsured cash balances totaled approximately \$379,000 and \$891,000, respectively.

**Donor Concentration**

For the years ended December 31, 2022 and 2021, 90% and 63% of SEJ’s contributed support was received from two and five donors, respectively.

NOTE 3—RETIREMENT CONTRIBUTIONS

SEJ sponsors a Simple IRA plan for its employees. All full-time employees with at least one year of service (or otherwise eligible per IRS rules) are eligible to participate. SEJ contributes 3% of eligible employees’ gross salaries to the plan. For the years ended December 31, 2022 and 2021, contributions to the plan totaled \$9,358 and \$10,444, respectively.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

NOTE 4—UNCONDITIONAL PROMISES TO GIVE

Unconditional promise to give are as follows:

	2022	2021
Receivable in less than one year	\$ 446,600	\$ 321,600
Receivable in one to five years	-	46,600
	\$ 446,600	\$ 368,200

NOTE 5—INVESTMENTS

Investments are comprised of the following:

	2022	2021
Cash held by investment managers	\$ 700,722	\$ 11,789
Stocks	-	296
Exchange traded funds	407,360	490,727
Mutual funds	326,889	756,491
Investments	\$ 1,434,971	\$ 1,259,303

Fair values of stocks, exchange traded funds, and mutual funds are valued at the closing price reported on the active market on which the stocks, exchange traded funds, and mutual funds are traded and are considered Level 1 fair value measurements.

NOTE 6—ENDOWMENT

SEJ's endowment consists of a single donor-restricted fund established to support general operations. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All contributions to donor-restricted endowments are reported as increases in net assets with donor restrictions. All earnings on the underlying investments are reported as increases in net assets with donor restrictions until appropriated for expenditure by SEJ.

SEJ 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 (a) the original value of gifts 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.

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 6—ENDOWMENT (continued)

SEJ has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In accordance with UPMIFA, SEJ considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The durations and preservation of the fund.
- The purposes of SEJ endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Investment policies.

*Investment Return Objectives, Risk Parameters, and Strategies.* The overall financial goal of the endowment is to maintain or enhance its market value while providing SEJ's operating budget with a relatively predictable and growing stream of revenue. SEJ expects the current spending policy to allow its endowment to continue to grow annually. This is consistent with SEJ's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The rationale is to obtain the best possible expected return, given the level of risk assumed. The investment policies of SEJ will be carried out by means of investment strategies that reflect continuous evaluation of changing investment environments, manager judgment regarding the allocation of the assets among different kinds of asset classes, identification of appropriate investment vehicles and the making of specific investment decisions.

*Spending Policy:* The earnings from these endowments are available in support of general operations of SEJ. The Board of Trustees approves an annual appropriation to fund grants in support of SEJ's mission in amounts aimed to preserve the endowment corpus.

Endowment net asset composition by type of fund as of December 31, 2022 and 2021 are as follows:

	2022	2021
Donor-restricted endowment fund:		
Original donor-restricted gift amounts	\$ 249,751	\$ 249,422
Accumulated investment gains	46,465	95,569
Total endowment funds	\$ 296,216	\$ 344,991

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

NOTE 6—ENDOWMENT (continued)

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Endowment net assets at beginning of year	\$ 344,991	\$ 318,934
Contributions	329	430
Investment return, net	(49,104)	25,627
Endowment net assets at end of year	\$ 296,216	\$ 344,991

NOTE 7—PAYCHECK PROTECTION PROGRAM

SEJ received loans totaling \$150,000 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On October 29, 2021, the SBA approved preliminary forgiveness of SEJ's first draw loan. On January 8, 2022, the SBA approved preliminary forgiveness of SEJ's second draw loan. SEJ must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review SEJ's good-faith certification concerning the necessity of its loan request, whether SEJ calculated the loan amount correctly, whether SEJ used loan proceeds for the allowable uses specified in the CARES Act, and whether SEJ is entitled to loan forgiveness in the amount claimed on its application. If SBA determines SEJ was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 8—NET ASSETS

Net assets with donor restrictions are comprised of the following:

	2022	2021
Subject to expenditure for specified purpose or period:		
Subsequent years' operations	\$ 400,000	\$ 301,250
Fund for environmental journalism	10,913	252,805
Annual conference	40,490	70,000
Working capital funds	105,537	105,266
Awards	21,600	54,800
Fellowships	-	53,250
Subject to SEJ's spending policy and appropriation		
General operations endowment	296,216	344,991
Net assets with donor restrictions	\$ 874,756	\$ 1,182,362

**SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 9—COMMITMENTS

SEJ has entered into agreements to reserve space for future conferences. These agreements indicate that SEJ would be liable for certain cancellation fees and liquidated damages in the event of cancellation. If cancellations occur, SEJ could be liable for up to approximately \$43,000. Management does not expect any hotel agreement cancellations.

NOTE 10—LIQUIDITY AND AVAILABILITY

The following table reflects SEJ's financial assets as of December 31, 2022 and 2021 reduced by amounts not available to meet cash needs for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash	\$ 744,842	\$ 1,279,762
Accounts receivable	6,010	9,132
Unconditional promises to give	446,600	368,200
Investments	<u>1,434,971</u>	<u>1,259,303</u>
 Total financial assets at year-end	 2,632,423	 2,916,397
 Less financial assets unavailable for general expenditures within one year:		
Restricted by donors with time and purpose restrictions	(178,540)	(582,721)
Subject to SEJ's spending policy	<u>(296,216)</u>	<u>(344,991)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 2,157,667</u>	 <u>\$ 1,988,685</u>

SEJ has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 11—EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2021, SEJ claimed Employee Retention Credits (ERC) totaling \$82,916 under the provisions of the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. SEJ determined it had a significant decline in gross receipts and claimed the ERC for the first, second, and fourth calendar quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit SEJ's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines SEJ was ineligible for the ERC, SEJ could be required to repay the amount claimed along with penalties and interest.