

**THE MARSHALL PROJECT, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**



**LUTZ AND GARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176

212-697-2299 FAX: 212-949-1768

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Marshall Project, Inc.

### **Opinion**

We have audited the accompanying financial statements of The Marshall Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Marshall Project, Inc. as of June 30, 2024 and 2023, 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.

### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Marshall Project, 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 The Marshall Project, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 The Marshall Project, 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 The Marshall Project 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.

*Lutz + Carr, LLP*

New York, New York  
January 16, 2025

**THE MARSHALL PROJECT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 6a)		
Without donor restrictions	\$ 8,252,818	\$ 8,175,927
With donor restrictions	567,889	1,216,686
Certificates of deposit (Notes 1c and 1d)	13,629,419	6,069,287
Unconditional promises to give (Notes 1e, 4 and 6b)		
Without donor restrictions	747,750	785,000
With donor restrictions	3,180,122	2,702,349
Accrued interest receivable	255,558	168,579
Prepaid expenses and other assets	103,159	70,606
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 5)	<u>69,623</u>	<u>79,286</u>
<b>Total Assets</b>	<u><u>\$26,806,338</u></u>	<u><u>\$19,267,720</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 280,499</u>	<u>\$ 125,788</u>
Commitments (Note 8)		
Net Assets		
Without Donor Restrictions		
Board designated reserves (Note 3a)	5,600,569	5,364,386
Undesignated	<u>17,177,259</u>	<u>9,858,511</u>
Total Without Donor Restrictions	<u>22,777,828</u>	<u>15,222,897</u>
With Donor Restrictions (Note 3b)	<u>3,748,011</u>	<u>3,919,035</u>
Total Net Assets	<u><u>26,525,839</u></u>	<u><u>19,141,932</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$26,806,338</u></u>	<u><u>\$19,267,720</u></u>

See notes to financial statements.

## THE MARSHALL PROJECT, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Changes in Net Assets</b>						
Revenue and Support						
Contributions (Note 6b)	\$20,425,041	\$ 3,524,328	\$23,949,369	\$12,069,793	\$ 1,929,459	\$13,999,252
Donated legal services (Note 7)	303,688	-	303,688	301,220	-	301,220
Interest and dividends	1,070,911	-	1,070,911	423,203	-	423,203
Other income	20,673	-	20,673	73,209	-	73,209
	<u>21,820,313</u>	<u>3,524,328</u>	<u>25,344,641</u>	<u>12,867,425</u>	<u>1,929,459</u>	<u>14,796,884</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	3,695,352	(3,695,352)	-	3,786,898	(3,786,898)	-
	<u>25,515,665</u>	<u>(171,024)</u>	<u>25,344,641</u>	<u>16,654,323</u>	<u>(1,857,439)</u>	<u>14,796,884</u>
Total Revenue and Support						
Expenses						
Program Services	13,737,940	-	13,737,940	10,029,299	-	10,029,299
Supporting Services						
Management and general	2,565,315	-	2,565,315	2,843,509	-	2,843,509
Fundraising	1,657,479	-	1,657,479	1,320,962	-	1,320,962
Total Supporting Services	<u>4,222,794</u>	<u>-</u>	<u>4,222,794</u>	<u>4,164,471</u>	<u>-</u>	<u>4,164,471</u>
Total Expenses	<u>17,960,734</u>	<u>-</u>	<u>17,960,734</u>	<u>14,193,770</u>	<u>-</u>	<u>14,193,770</u>
Increase (decrease) in net assets	7,554,931	(171,024)	7,383,907	2,460,553	(1,857,439)	603,114
Net assets, beginning of year	15,222,897	3,919,035	19,141,932	12,762,344	5,776,474	18,538,818
	<u>\$22,777,828</u>	<u>\$ 3,748,011</u>	<u>\$26,525,839</u>	<u>\$15,222,897</u>	<u>\$ 3,919,035</u>	<u>\$19,141,932</u>
<b>Net Assets, End of Year</b>						

See notes to financial statements.

## THE MARSHALL PROJECT, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024				Total Expenses	2023 Total Expenses
	Program Services	Supporting Services				
		Management and General	Fundraising	Total		
Salaries, payroll taxes and employee benefits	\$10,505,159	\$ 1,712,601	\$ 1,129,291	\$2,841,892	\$13,347,051	\$11,093,872
Professional and consultant fees	2,202,669	408,582	422,388	830,970	3,033,639	1,835,959
Publications and research	295,349	79,602	11,346	90,948	386,297	317,137
Information technology	19,209	3,142	2,068	5,210	24,419	20,617
Travel	292,900	205,184	19,218	224,402	517,302	375,484
Occupancy	117,236	19,184	12,629	31,813	149,049	141,420
Events	1,783	15,764	2,829	18,593	20,376	36,000
Office supplies	59,049	70,666	14,914	85,580	144,629	130,368
Insurance	141,048	4,815	3,241	8,056	149,104	109,031
Advertising	42,616	29,627	6,045	35,672	78,288	48,674
Bank fees	-	2,515	29,226	31,741	31,741	33,144
Other expenses	21,340	7,157	22	7,179	28,519	8,688
Depreciation	39,582	6,476	4,262	10,738	50,320	43,376
Total Expenses, 2024	<u>\$13,737,940</u>	<u>\$ 2,565,315</u>	<u>\$ 1,657,479</u>	<u>\$4,222,794</u>	<u>\$17,960,734</u>	
Total Expenses, 2023	<u>\$10,029,299</u>	<u>\$ 2,843,509</u>	<u>\$ 1,320,962</u>	<u>\$4,164,471</u>		<u>\$14,193,770</u>

See notes to financial statements.

**THE MARSHALL PROJECT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	<b>Program Services</b>	<b>Supporting Services</b>			<b>Total Expenses</b>
		<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	
Salaries, payroll taxes and employee benefits	\$ 8,643,352	\$ 1,703,398	\$ 747,122	\$2,450,520	\$11,093,872
Professional and consultant fees	586,216	821,798	427,945	1,249,743	1,835,959
Publications and research	250,421	57,463	9,253	66,716	317,137
Information technology	16,063	3,166	1,388	4,554	20,617
Travel	189,645	152,901	32,938	185,839	375,484
Occupancy	110,182	21,714	9,524	31,238	141,420
Events	500	16,144	19,356	35,500	36,000
Office supplies	51,299	49,205	29,864	79,069	130,368
Insurance	102,473	4,559	1,999	6,558	109,031
Advertising	41,827	680	6,167	6,847	48,674
Bank fees	-	1,024	32,120	33,144	33,144
Other expenses	3,527	4,796	365	5,161	8,688
Depreciation	33,794	6,661	2,921	9,582	43,376
<b>Total Expenses</b>	<b>\$10,029,299</b>	<b>\$ 2,843,509</b>	<b>\$1,320,962</b>	<b>\$4,164,471</b>	<b>\$14,193,770</b>

See notes to financial statements.

**THE MARSHALL PROJECT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 7,383,907	\$ 603,114
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	50,320	43,376
(Increase) decrease in:		
Unconditional promises to give	(440,523)	1,021,112
Accrued interest receivable	(86,979)	(158,201)
Prepaid expenses and other assets	(32,553)	8,488
Increase (decrease) in accounts payable and accrued expenses	<u>154,711</u>	<u>(83,040)</u>
Net Cash Provided By Operating Activities	<u>7,028,883</u>	<u>1,434,849</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of certificates of deposit	(7,560,132)	(6,069,287)
Acquisition of property and equipment	<u>(40,657)</u>	<u>(47,672)</u>
Net Cash Used By Investing Activities	<u>(7,600,789)</u>	<u>(6,116,959)</u>
Net decrease in cash and cash equivalents	(571,906)	(4,682,110)
Cash and cash equivalents, beginning of year	<u>9,392,613</u>	<u>14,074,723</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 8,820,707</u>	<u>\$ 9,392,613</u>

See notes to financial statements.



**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a - Organization

The Marshall Project, Inc. ("The Marshall Project") is a nonpartisan news organization incorporated as a not-for-profit corporation in the state of Delaware. Its purpose is to raise public awareness around issues of criminal justice and the possibility for reform while remaining nonpartisan. However, The Marshall Project is not neutral. By bringing transparency to the systemic problems that plague the courts and prisons, The Marshall Project helps stimulate a national conversation about how best to reform the system of crime and punishment.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, The Marshall Project considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

c - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of The Marshall Project. Unobservable inputs reflect The Marshall Project's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that The Marshall Project has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

d - Certificates of Deposit

Certificates of deposit are reported at fair value in the statement of financial position. The value of certificates of deposit are based on quoted market prices in active markets and are, therefore, classified within Level 1 of the fair value hierarchy.

e - Contributions and Unconditional Promises to Give

Contributions received are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to The Marshall Project, that is, in substance, unconditional. Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Marshall Project uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

f - Property and Equipment

Purchased property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. The Marshall Project's policy is to capitalize purchases of over \$1,000 that have a useful life of more than a year.

g - Revenue Recognition

The Marshall Project has other earned revenue which are accounted for as exchange transactions, consisting of fees received under agreements for certain projects. Revenue received pursuant to these agreements is recognized when articles are published or other project deliverables are completed.

h - Rent Expense

Rent expense is recorded on a straight-line basis over the life of the rental agreement. The difference between the straight-line amount and the amount actually paid during the year is recorded as a liability and an expense in the accompanying financial statements.

**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

i - Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), which require The Marshall Project to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of The Marshall Project. These net assets may be used at the discretion of The Marshall Project's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of The Marshall Project or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

j - Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities. Expenses are allocated directly to programs, where applicable, on a reasonable and consistent basis. A substantial portion of The Marshall Project's expenses are directly related to program activities. Certain other expenses are attributable to more than one program or supporting function and require allocation. Salaries, payroll taxes and employee benefits, occupancy, IT consulting fees, telephone, directors and officers and general liability insurance expense, and depreciation are allocated based on average employee headcount.

k - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l - Tax Status

The Marshall Project, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

m - Subsequent Events

The Marshall Project has evaluated subsequent events through January 16, 2025, the date that the financial statements are considered available to be issued.

**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 2 - Information Regarding Liquidity and Availability**

The Marshall Project operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Marshall Project considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Marshall Project regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis to cover ninety days of general expenditures.

The Marshall Project's financial assets as of June 30, 2024 and 2023 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 8,820,707	\$ 9,392,613
Certificates of deposit	13,629,419	6,069,287
Accrued interest receivable	255,558	168,579
Unconditional promises to give	<u>3,927,872</u>	<u>3,487,349</u>
Total Financial Assets	26,633,556	19,117,828
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(3,748,011)	(3,919,035)
Plus: Net assets with donor restrictions expected to be met in less than one year	2,673,149	3,819,035
Net assets without donor restrictions, subject to Board appropriation	<u>(5,600,569)</u>	<u>(5,364,386)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$19,958,125</u>	<u>\$13,653,442</u>

In addition to these financial assets available within one year, The Marshall Project maintains board designated reserve funds of \$5,600,569 as of June 30, 2024, which are invested for short-term appreciation and maintained for specific purposes. However, these amounts could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 3 - Restrictions and Designations of Net Assets**

a - Board Designated Reserves

The Marshall Project established a board designated reserve to maintain funds without donor restrictions in a separate reserve account in an amount equal to approximately 10% of the annual operating budget. At June 30, 2024 and 2023, this reserve balance was \$1,785,569 and \$1,549,386, respectively.

A capital reserve fund was also established during the year ended June 30, 2019, and was initially funded with a \$115,000 deposit. The capital reserve fund will be used for large, one-time expenses that will not otherwise appear on a regular basis in the operating budget.

During the year ended June 30, 2022, The Marshall Project established a board designated growth fund with an initial deposit of \$2.5 million from its undesignated net assets without donor restrictions. These funds will be used to catalyze The Marshall Project's expansion. During the year ended June 30, 2023, an additional \$1.2 million from The Marshall Project's fiscal year 2022 operating surplus was designated to the fund, bringing the fund balance to \$3,700,000.

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Newsroom	\$1,302,841	\$ 559,135
Expansion	-	228,436
Cleveland	<u>66,341</u>	<u>591,615</u>
	1,369,182	1,379,186
Subject to passage of time	<u>2,378,829</u>	<u>2,539,849</u>
Total Net Assets With Donor Restrictions	<u>\$3,748,011</u>	<u>\$3,919,035</u>

**Note 4 - Unconditional Promises to Give**

Unconditional promises to give as of June 30, 2024 and 2023 are due as follows:

	<u>2024</u>	<u>2023</u>
Due within one year	\$3,111,545	\$3,390,500
Due in one to three years	<u>900,000</u>	<u>100,000</u>
	4,011,545	3,490,500
Less: Discount to present value	<u>(83,673)</u>	<u>(3,151)</u>
	<u>\$3,927,872</u>	<u>\$3,487,349</u>

**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 4 - Unconditional Promises to Give (continued)**

Unconditional promises to give which are due after one year are discounted to net present value using discount rates ranging from 3.00% to 5.09%. Uncollectible promises to give are expected to be insignificant.

**Note 5 - Property and Equipment**

Property and equipment at June 30, 2024 and 2023 consists of the following:

	<u>Life</u>	<u>2024</u>	<u>2023</u>
Computers	3 years	\$194,474	\$153,817
Website	3 years	<u>77,589</u>	<u>77,589</u>
		272,063	231,406
Less: Accumulated depreciation		<u>(202,440)</u>	<u>(152,120)</u>
Total		<u>\$ 69,623</u>	<u>\$ 79,286</u>

**Note 6 - Concentrations**

- a - The Marshall Project maintains its cash and cash equivalents balances in one financial institution. Balances, at times, may exceed federally insured limits.
- b - The Marshall Project received approximately 29% of its total revenue and support from one donor for the year ended June 30, 2024. For the year ended June 30, 2023, approximately 20% of total revenue and support was received from one donor.

Approximately 57% of unconditional promises to give was due from three donors as of June 30, 2024. As of June 30, 2023, approximately 33% of unconditional promises to give was due from two donors.

**THE MARSHALL PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**Note 7 - Donated Services**

For the years ended June 30, 2024 and 2023, The Marshall Project received donated legal services of \$303,688 and \$301,220, respectively, in connection with its administrative supporting services. The value of the donated legal services was provided by the service provider, who estimates fair value based on current market rates for similar services.

**Note 8 - Commitments**

- a - The Marshall Project occupies office space under a rental agreement expiring October 31, 2025.

The future minimum annual obligations under the rental agreement are as follows:

Year ending June 30, 2025	\$147,741
Thereafter, through October 31, 2025	49,852

The Marshall Project also rents office space at another location under an agreement which provides for rent to be paid on a month-to-month basis and that is cancellable upon 30 days' notice.

Rent expense under these agreements was \$149,049 and \$141,420 for the years ended June 30, 2024 and 2023, respectively.

- b - The Marshall Project maintains a defined contribution pension plan for all eligible employees. The plan provided for employees to make voluntary contributions to the plan, subject to statutory limitations. The plan also provides for a matching contribution of up to 4% of an employee's eligible compensation, and a 4% safe harbor employer contribution for all eligible employees. Expense under this plan for the years ended June 30, 2024 and 2023 was \$362,503 and \$281,755, respectively.
- c - In February 2024, eligible staff at The Marshall Project notified management of the intent to form a union. The Marshall Project voluntarily recognized the union after a union authorization card check that confirmed that the majority of eligible employees in the bargaining unit wished to be represented by The NewsGuild of New York. The Marshall Project will be negotiating a collective bargaining agreement with The NewsGuild of New York. Any material changes in wages or benefits afforded to union employees will be implemented after they are negotiated and an agreement is effective.