REBUILD LOCAL NEWS, INC.
Brooklyn, New York

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS

As of and for the Years Ended
December 31, 2025 and 2024

Turlington and Company, L.L.P.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rebuild Local News, Inc.
Brooklyn, New York

Opinion

We have audited the financial statements of Rebuild Local News, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Rebuild Local News, Inc. as of December 31, 2025 and 2024, 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 (GAAS). 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 Rebuild Local News, 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 Rebuild Local News, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Rebuild Local News, 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 Rebuild Local News, 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.

Turlington and Company, L.L.P.

Lexington, North Carolina
June 18, 2026

REBUILD LOCAL NEWS, INC.

STATEMENTS OF FINANCIAL POSITION

	December 31 2025	December 31 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,524,648	$ 1,874,105
Accounts receivable	23,560	2,559
Grants receivable	1,398,782	493,274
Prepaids	6,697	-
	4,953,687	2,369,938
Noncurrent assets:		
Long-term grants receivable, net	-	261,617
Intangibles, net	625	3,125
	625	264,742
Total assets	$ 4,954,312	$ 2,634,680
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 50,440	$ 37,000
Accrued expenses	77,897	-
Deferred revenue	-	3,063
	128,337	40,063
Net assets:		
Without donor restrictions	1,027,343	457,054
With donor restrictions	3,798,632	2,137,563
	4,825,975	2,594,617
Total liabilities and net assets	$ 4,954,312	$ 2,634,680

The accompanying notes are an integral part of the financial statements

REBUILD LOCAL NEWS, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Foundation grants and contributions	$ 1,107,030	$ 3,169,300	$ 4,276,330
Individual grants and contributions	98,207	2,500	100,707
Memberships	29,813		29,813
Interest and other income	49,413		49,413
In-kind contributions	4,500		4,500
Net assets released from restrictions	1,510,731	(1,510,731)	-
Total support, revenues and reclassifications	2,799,694	1,661,069	4,460,763
Expenses:			
Program services	1,702,714		1,702,714
Management and general	259,045		259,045
Fundraising	267,646		267,646
Total expenses	2,229,405		2,229,405
Changes in net assets	570,289	1,661,069	2,231,358
Net assets at beginning of year	457,054	2,137,563	2,594,617
Net assets at end of year	$ 1,027,343	$ 3,798,632	$ 4,825,975

The accompanying notes are an integral part of the financial statements

REBUILD LOCAL NEWS, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Foundation grants and contributions	$ 225,500	$ 1,573,283	$ 1,798,783
Individual grants and contributions	89,022	25,600	114,622
Memberships	24,188		24,188
Interest and other income	65,466		65,466
Gain on sale of investment	2,289		2,289
Net assets released from restrictions	1,148,540	(1,148,540)	-
Total support, revenues and reclassifications	1,555,005	450,343	2,005,348
Expenses:			
Program services	895,464		895,464
Management and general	410,681		410,681
Fundraising	76,936		76,936
Total expenses	1,383,081		1,383,081
Changes in net assets	171,924	450,343	622,267
Net assets at beginning of year	285,130	1,687,220	1,972,350
Net assets at end of year	$ 457,054	$ 2,137,563	$ 2,594,617

REBUILD LOCAL NEWS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 823,996	$ 125,653	$ 174,135	$ 1,123,784
Employee benefits	85,975	22,422	20,545	128,942
Payroll taxes	58,481	9,198	12,079	79,758
Advertising	8,526			8,526
Dues and subscriptions	5,213	2,668	10,914	18,795
Insurance	5,787	4,056	69	9,912
Professional fees	332,469	80,849	40,484	453,802
Advocacy	142,900			142,900
Office expense	17,935	2,426	1,755	22,116
Supplies		2,250	2,435	4,685
Travel	77,689	9	267	77,965
Computer	49,461	9,098	4,832	63,391
Meetings and events	2,103			2,103
Conferences and other events	5,726			5,726
Research	80,000			80,000
In-kind contributions	4,500			4,500
Amortization	1,953	416	131	2,500
Total functional expenses	$ 1,702,714	$ 259,045	$ 267,646	$ 2,229,405

The accompanying notes are an integral part of the financial statements

REBUILD LOCAL NEWS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 378,630	$ 212,820	$ 21,788	$ 613,238
Employee benefits	17,181	15,385	4,515	37,081
Payroll taxes	25,102	16,444	1,308	42,854
Advertising	7,358			7,358
Dues and subscriptions	679	2,092	165	2,936
Insurance	132	20,615		20,747
Professional fees	384,008	116,966	46,785	547,759
Office expense	1,803	6,840	2,027	10,670
Travel	62,010	(1,269)	212	60,953
Computer	15,561	19,172		34,733
Special events	1,042	1,195		2,237
Miscellaneous	5	5	5	15
Amortization	1,953	416	131	2,500
Total functional expenses	$ 895,464	$ 410,681	$ 76,936	$ 1,383,081

The accompanying notes are an integral part of the financial statements

REBUILD LOCAL NEWS, INC.

STATEMENT OF CASH FLOWS

	Years Ended December 31 2025	2024
Cash flows from operating activities:		
Change in net assets	$ 2,231,358	$ 622,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	2,500	2,500
Gain on sale of investments	(46,661)	(40,232)
Donation of investments	-	(40,165)
Proceeds from sale of donated investments	-	42,454
Changes in assets and liabilities:		
Accounts receivable	(21,001)	(1,475)
Grants receivable, net	(643,891)	(74,891)
Prepaids	(6,697)	-
Accounts payable	13,440	(13,817)
Accrued expenses	77,897	-
Deferred revenue	(3,063)	(5,750)
Net cash provided by operating activities	1,603,882	490,891
Cash flows from investing activities:		
Purchase of investments	(4,133,339)	(2,662,057)
Proceeds from sale of investments	4,180,000	2,700,000
Net cash provided by investing activities	46,661	37,943
Net increase in cash	1,650,543	528,834
Cash and cash equivalents at beginning of years	1,874,105	1,345,271
Cash and cash equivalents at end of years	$ 3,524,648	$ 1,874,105

The accompanying notes are an integral part of the financial statements

1. Nature of Operations:

Rebuild Local News, Inc. (the Organization) is a nonpartisan, nonprofit organization that advances public policies to counter the collapse of local news, revitalize community journalism, and strengthen democracy. The Organization was incorporated in the State of Delaware in September 2022. In January 2023, it became independent of its founding organizations, the GroundTruth Project and Report for America.

2. Summary of Significant Accounting Policies:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, with the more significant of these principles described as follows:

Cash and Cash Equivalents

The Organization's cash and cash equivalents, as stated for cash flow purposes, consist of interest and noninterest-bearing cash accounts. The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

The Organization carries its accounts receivable at cost less an allowance for credit losses. The Organization accounts for credit losses in accordance with Accounting Standards Codification (ASC) 326, *Financial Instruments - Credit Losses*. ASC 326 generally provides that an allowance for credit losses, which includes all expected losses during the financial asset, should be reflected upon initial recognition of the financial asset and the allowance should be revalued at each reporting period based on historical, current, and future facts and circumstances. Certain financial assets held by the Organization, including accounts receivable, fall within the scope of ASC 326.

Intangibles

The Organization capitalizes intangible assets greater than $5,000 and amortizes them on a straight-line basis over a period of three years.

Compensated Absences

Employees of the Organization are entitled to paid time off, depending on length of service and other factors. These entitlements accrue each pay period, and a limited number of hours may be carried forward into a new employee anniversary plan year. Accrued, unused paid time off is paid out upon separation of employment. At December 31, 2025, the Organization's accrued liabilities for compensated absences was $77,897.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; these restrictions will be met by the Organization's actions or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising costs incurred for the years ended December 31, 2025 and 2024, amounted to $8,526 and $7,358, respectively.

2. Summary of Significant Accounting Policies (Continued):

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Uncertain Income Tax Positions

The Organization has determined that it has no uncertain income tax positions as of December 31, 2025 and 2024. Also, the Organization does not anticipate any increase or decrease in unrecognized tax benefits during the twelve months that would result in a material change to its financial position. The Organization's income tax return for the year ended December 31, 2023, remain open for examination.

The Organization includes interest and penalties in the financial statements as a component of income tax expense. The Organization has no tax penalties or interest reported in the accompanying financial statements.

Revenue Recognition

The Organization accounts for contributions in accordance with Accounting Standards Codification (ASC) 958-605, *Accounting for Contributions Received and Contributions Made*. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions received are recorded as an increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires, 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 donor restrictions.

The Organization uses a present value discount on its long-term grants receivable. The Organization uses the yield rates provided by the U.S. Treasury at the time the receivable is recognized.

The Organization also receives certain grants that are subject to certain barriers that preclude the Organization from recognizing grant revenue at the time the funds are awarded. These grants are treated as conditional contributions, and the related grant revenue is recognized when the barrier has been satisfied, which is generally when the related expenses have been incurred by the Organization.

The Organization offers membership tiers and recognizes these memberships in accordance with ASC 606, *Revenue from Contracts with Customers*. Members receive access to other professional associations interested in the health of local news, among other benefits. The performance obligation is satisfied over time as the services are provided throughout the membership period. Memberships not yet satisfied by the end of the fiscal year remain in deferred revenue.

The contract asset and liability balances for these services were as follows as of December 31:

	2025	2024	2023
Memberships receivable	$ 10,875	$ 2,500	$ -
Contract liabilities	-	3,063	8,813

3. Concentration of Credit Risk:

The Organization places its cash and cash equivalents on deposit with financial institutions insured by the Federal Deposit Insurance Corporation. Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least $250,000. During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limit. As of December 31, 2025, the Organization had $2,190,906 in excess of the insured amount.

Cash balances maintained at brokerage firms are not covered by the FDIC. However, the brokerage firm used by the Organization is a member of the Securities Investor Protection Corporation (SIPC), which protects assets on account up to $500,000, of which $250,000 may be cash. At December 31, 2025, the Organization had $750,000 in excess of the insured amount.

4. Liquidity and Availability:

The following represents the Organization' financial assets at December 31, 2025 and 2024:

	2025	2024
Financial assets at year-end:		
Cash and equivalents	$ 3,524,648	$ 1,874,105
Accounts receivable	23,560	2,559
Grants receivable	1,398,782	754,891
Total financial assets at year-end	$ 4,946,990	$ 2,631,555

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date comprise the following:

	2025	2024
Financial assets available within one year:		
Cash and equivalents	$ 3,524,648	$ 1,874,105
Accounts receivable	23,560	2,559
Grants receivable	1,398,782	493,274
Total financial assets and liquidity resources available within one year	4,946,990	2,369,938
Less, amounts unavailable for general expenditures within one year	3,798,632	2,137,563
Total financial assets and liquidity resources available within one year	$ 1,148,358	$ 232,375

The Organization maintains a general policy of structuring its financial assets to be available as its recurring expenditures, liabilities, and other obligations come due. The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

5. Discounted Grants Receivable:

During the year ended December 31, 2024, all unconditional grants receivable greater than one year were recorded at present value. Discounted grants receivable as of December 31, 2024, are as follows:

	2024
Restricted due to passage of time	$ 283,334
Less, discount to present value	21,717
Discounted grants receivable	$ 261,617

All discounted grants receivable are expected to be collected in 2026.

6. Intangibles:

The Organization's intangibles consisted of the following at December 31, 2025 and 2024:

	2025	2024
Website	$ 7,500	$ 7,500
Less, accumulated amortization	6,875	4,375
	$ 625	$ 3,125

A summary of estimated amortization expense for the years subsequent to December 31, 2025, follows:

Year Ended December 31	Amount
2026	$ 625

7. Net Assets with Restrictions:

The nature of specific net assets as of December 31, 2025 and 2024, is as follows:

	2025	2024
With donor restrictions:		
State-level education and advocacy	$ 2,353,746	$ 179,404
Staffing for specific initiatives	165,675	32,583
Provide capital and technical assistance	33,043	-
Activities excluding lobbying	1,246,168	1,925,576
	$ 3,798,632	$ 2,137,563

8. Functional Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

9. Income Taxes:

The Organization qualifies as a not-for-profit corporation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code. Under this section, the corporation is exempt from income taxes on its non-business-related income, and files information returns only.

10. Reclassification:

Certain items for the year ended December 31, 2024, have been reclassified herein to conform to the presentation used in the year ended December 31, 2025. These classifications had no effect on previously reported net assets.

11. Subsequent Events:

The Organization's management has evaluated all subsequent events through June 18, 2026, the date the financial statements were available to be issued. No subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.