

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Society of Environmental Journalists, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 Society of Environmental Journalists, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Society of Environmental Journalists, Inc. as of and for the year ended December 31, 2019, were audited by other auditors whose report dated September 25, 2020, expressed an unmodified opinion on those financial statements.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
October 25, 2021

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 748,247	\$ 918,889
Accounts receivable	5,672	73,706
Unconditional promises to give	389,800	318,600
Prepaid expenses	61,085	8,262
Equipment	9,927	11,748
Accumulated depreciation	(8,654)	(11,702)
Investments	1,200,133	1,158,467
Total assets	\$ 2,406,210	\$ 2,477,970
LIABILITIES		
Accounts payable and accrued expenses	\$ 33,940	\$ 8,841
Prepaid dues	6,850	7,099
Refundable advances	50,000	-
Total liabilities	90,790	15,940
NET ASSETS		
Without donor restrictions	890,321	765,521
With donor restrictions	1,425,099	1,696,509
Total net assets	2,315,420	2,462,030
Total liabilities and net assets	\$ 2,406,210	\$ 2,477,970

See accompanying notes.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contributions	\$ 18,276	\$ 1,060,712	\$ 1,078,988	\$ 508,861	\$ 1,444,919	\$ 1,953,780
Conference revenue	79,089	40,000	119,089	337,290	100,000	437,290
Membership fees	61,268	-	61,268	61,310	-	61,310
Mailing list rentals	24,535	-	24,535	22,370	-	22,370
Investment return, net	16,845	25,627	42,472	25,922	37,855	63,777
Awards revenue	30,345	-	30,345	28,512	-	28,512
Miscellaneous revenue	150	-	150	2,385	-	2,385
In-kind contributions	-	-	-	80,000	-	80,000
Paycheck Protection Program grant	70,000	-	70,000	-	-	-
Total support and revenue	300,508	1,126,339	1,426,847	1,066,650	1,582,774	2,649,424
EXPENSES						
Program Services						
Conference	176,700	-	176,700	346,111	-	346,111
Fund for Environmental Journalism	538,794	-	538,794	742,794	-	742,794
Awards	302,191	-	302,191	83,931	-	83,931
Membership Services	60,207	-	60,207	54,530	-	54,530
Publications	204,560	-	204,560	163,798	-	163,798
Total program services	1,282,452	-	1,282,452	1,391,164	-	1,391,164
Supporting Activities						
Management and General	197,099	-	197,099	126,037	-	126,037
Fundraising	93,906	-	93,906	78,438	-	78,438
Total expenses	1,573,457	-	1,573,457	1,595,639	-	1,595,639
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	873,082	(873,082)	-	844,094	(844,094)	-
Expiration of time restrictions	524,667	(524,667)	-	52,667	(52,667)	-
Net assets released from restrictions	1,397,749	(1,397,749)	-	896,761	(896,761)	-
Change in net assets	124,800	(271,410)	(146,610)	367,772	686,013	1,053,785
Net assets at beginning of year	765,521	1,696,509	2,462,030	397,749	1,010,496	1,408,245
Net assets at end of year	\$ 890,321	\$ 1,425,099	\$ 2,315,420	\$ 765,521	\$ 1,696,509	\$ 2,462,030

See accompanying notes.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services					Supporting Activities		Total Expenses
	Conference	Fund for Environmental Journalism	Awards	Membership Services	Publications	Management and General	Fundraising	
Personnel	\$ 144,780	\$ 30,714	\$ 57,624	\$ 54,712	\$ 16,408	\$ 66,154	\$ 85,336	\$ 455,728
Awards	-	504,996	235,232	-	-	-	-	740,228
Bank and credit card fees	-	-	-	-	-	7,601	-	7,601
Consultants	10,338	-	-	-	186,504	90,018	-	286,860
Depreciation expense	-	-	-	-	-	270	-	270
Insurance	2,434	516	969	920	276	1,112	1,433	7,660
Marketing and advertising	-	-	1,380	-	-	-	-	1,380
Office supplies	6,930	1,470	2,758	2,619	785	3,166	4,085	21,813
Payroll fees	-	-	-	-	-	2,131	-	2,131
Postage, shipping, and copying	-	-	-	-	-	541	-	541
Printing	4,299	-	2,168	-	-	-	-	6,467
Professional fees	-	-	-	-	-	22,269	-	22,269
Registration services	250	-	-	-	-	-	-	250
Rent and utilities	1,370	291	545	518	155	626	806	4,311
Telephone and online fees	501	106	199	189	57	229	297	1,578
Travel - board meetings	3,305	701	1,316	1,249	375	1,510	1,949	10,405
Travel - conferences	2,128	-	-	-	-	-	-	2,128
Travel - fellowships	365	-	-	-	-	-	-	365
Website maintenance	-	-	-	-	-	1,472	-	1,472
Total expenses	\$ 176,700	\$ 538,794	\$ 302,191	\$ 60,207	\$ 204,560	\$ 197,099	\$ 93,906	\$ 1,573,457

See accompanying notes.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services					Supporting Activities		Total Expenses
	Conference	Fund for Environmental Journalism	Awards	Membership Services	Publications	Management and General	Fundraising	
Personnel	\$ 123,272	\$ 26,485	\$ 49,998	\$ 47,199	\$ 13,760	\$ 60,841	\$ 74,388	\$ 395,943
Awards	-	712,195	16,476	-	-	-	-	728,671
Bank and credit card fees	-	-	-	-	-	6,685	-	6,685
Consultants	12,512	-	-	-	147,900	33,781	-	194,193
Depreciation expense	-	-	-	-	-	550	-	550
Facilities, catering, and audio visual	96,474	-	-	-	-	-	-	96,474
Insurance	2,749	591	1,115	1,052	307	444	581	6,839
Marketing and advertising	9,561	-	1,145	-	-	-	-	10,706
Office supplies	6,637	1,353	2,556	2,413	704	1,386	1,333	16,382
Payroll fees	-	-	-	-	-	2,460	-	2,460
Postage, shipping, and copying	1,598	45	254	80	23	34	44	2,078
Printing	7,558	-	-	-	-	-	-	7,558
Professional fees	-	-	-	-	-	14,858	-	14,858
Registration services	11,818	-	-	-	-	-	-	11,818
Rent and utilities	1,304	280	529	499	146	211	276	3,245
Repairs and maintenance	-	-	-	-	-	1,368	-	1,368
Telephone and online fees	2,275	489	923	871	254	368	481	5,661
Transportation and tour fees	18,879	-	-	-	-	-	-	18,879
Travel - board meetings	6,311	1,356	10,935	2,416	704	1,021	1,335	24,078
Travel - conferences	26,274	-	-	-	-	-	-	26,274
Travel - fellowships	18,889	-	-	-	-	-	-	18,889
Website maintenance	-	-	-	-	-	2,030	-	2,030
Total expenses	\$ 346,111	\$ 742,794	\$ 83,931	\$ 54,530	\$ 163,798	\$ 126,037	\$ 78,438	\$ 1,595,639

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (146,610)	\$ 1,053,785
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	270	550
Contributions restricted for long term purposes	(430)	(1,025)
Net realized and unrealized gains on investments	(38,120)	(45,240)
(Increase) decrease in assets		
Accounts receivable	68,034	(73,706)
Unconditional promises to give	(71,200)	49,600
Prepaid expenses	(52,823)	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	25,099	(4,137)
Prepaid dues	(249)	(875)
Refundable advances	50,000	-
Net cash flows from operating activities	(166,029)	978,952
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(1,497)	-
Proceeds from redemption of certificates of deposit	-	45,740
Purchases of investments and interest and dividends reinvested	(109,636)	(515,790)
Proceeds from sales of investments	106,090	309,849
Net cash flows from investing activities	(5,043)	(160,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment contributions received	430	1,025
Change in cash	(170,642)	819,776
Cash at beginning of year	918,889	99,113
Cash at end of year	<u>\$ 748,247</u>	<u>\$ 918,889</u>

See accompanying notes.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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, 2020 and 2019, 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. At December 31, 2020 and 2019, all promises to give are collectible within one year.

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, 2020 and 2019

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 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. 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 restrictions.

In-Kind Contributions

In-kind services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by SEJ. In-kind goods and materials received are recorded as contributions at their estimated fair value at the date of donation.

Paycheck Protection Program Loan

SEJ received a loan 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 loan 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.

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.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

Advertising

Advertising costs are expensed in the year incurred.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Date of Management's Review

Management has evaluated subsequent events through October 25, 2021, 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, 2020 and 2019, SEJ's uninsured cash balances total approximately \$379,000 and \$701,000, respectively.

Donor Concentration

For the years ended December 31, 2020 and 2019, 95% and 80% of SEJ's contributed support was received from five and four donors, respectively.

NOTE 3—RISKS AND UNCERTAINTIES

In March 2020, the United States economy began suffering adverse effects from the COVID-19 virus global crisis. In response to the crisis, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. As described in Note 5, SEJ was approved for a loan under the Paycheck Protection program (PPP), established by the CARES Act. Subsequent to year end, SEJ was approved for a second PPP loan, totaling \$80,000. Management is continuously monitoring the situation to appropriately address the impact on the business.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4—INVESTMENTS

Investments are comprised of the following:

	2020	2019
Money market funds	\$ 789,865	\$ 621,127
Stocks	274	-
Exchange traded funds	395,322	381,812
Mutual funds	14,672	155,528
Investments	\$ 1,200,133	\$ 1,158,467

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 5—PAYCHECK PROTECTION PROGRAM

On May 16, 2020, SEJ received a \$70,000 loan 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). SEJ has not yet formally applied for loan forgiveness, though SEJ anticipates full forgiveness due to qualified expenditures being incurred. 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 6—IN-KIND CONTRIBUTIONS

In-kind contributions included with Program Services – Conference on the statements of functional expenses are as follows:

	2020	2019
Facilities, catering, and audio visual	\$ -	\$ 64,482
Transportation and tour fees	-	11,712
Registration services	-	3,806
In-kind contributions	\$ -	\$ 80,000

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7—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.

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.

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7—ENDOWMENT (continued)

Endowment net asset composition by type of fund as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Donor-restricted endowment fund:		
Original donor-restricted gift amounts	\$ 248,567	\$ 248,137
Accumulated investment gains	<u>54,187</u>	<u>28,560</u>
Total endowment funds	<u>\$ 302,754</u>	<u>\$ 276,697</u>

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Endowment net assets at beginning of year	\$ 276,697	\$ 252,871
Contributions	430	1,025
Investment return, net	25,627	36,008
Amounts appropriated for expenditure	<u>-</u>	<u>(13,207)</u>
Endowment net assets at end of year	<u>\$ 302,754</u>	<u>\$ 276,697</u>

NOTE 8—NET ASSETS

Net assets with donor restrictions are comprised of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Subsequent years' operations	\$ 766,667	\$ 469,333
Fund for environmental journalism	115,612	711,388
Annual conference	70,000	100,000
Working capital funds	105,266	104,991
Awards	64,800	21,600
Strategic planning	-	12,500
Subject to SEJ's spending policy and appropriation		
General operations endowment	<u>302,754</u>	<u>276,697</u>
Net assets with donor restrictions	<u>\$ 1,425,099</u>	<u>\$ 1,696,509</u>

SOCIETY OF ENVIRONMENTAL JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 9—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, 2020 and 2019, contributions to the plan totaled \$10,465 and \$7,975, respectively.

NOTE 10—LIQUIDITY AND AVAILABILITY

The following table reflects SEJ's financial assets as of December 31, 2020 and 2019 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:

	2020	2019
Financial assets at year-end:		
Cash	\$ 748,247	\$ 918,889
Accounts receivable	5,672	73,706
Unconditional promises to give	389,800	318,600
Investments	1,200,133	1,158,467
Total financial assets at year-end	2,343,852	2,469,662
Less financial assets unavailable for general expenditures within one year:		
Restricted by donors with time and purpose restrictions	(1,122,345)	(1,419,812)
Subject to SEJ's spending policy	(302,754)	(276,697)
Financial assets available to meet cash needs for general expenditures within one year	\$ 918,753	\$ 773,153

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

NOTE 11—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 \$50,000. Management does not expect any hotel agreement cancellations.