

**RHODE ISLAND PBS FOUNDATION**

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**Financial Statements**

**June 30, 2019**

**Mullen Scorio Cerilli**

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**Certified Public Accountants  
Business Consultants**

# Mullen Scorpio Cerilli

## RHODE ISLAND PBS FOUNDATION

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# Mullen Scorpio Cerilli

Certified Public Accountants  
Business Consultants

67 Cedar Street, Suite 106  
Providence, Rhode Island 02903  
401-751-3860  
401-751-3987 Fax  
[www.mullenscorpiocerilli.com](http://www.mullenscorpiocerilli.com)

## Independent Auditor's Report

The Board of Directors of  
Rhode Island PBS Foundation

We have audited the accompanying financial statements of Rhode Island PBS Foundation (a Rhode Island nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of revenues, expenses and other changes in net assets, 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.

# Mullen Scorpio Cerilli

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rhode Island PBS Foundation as of June 30, 2019, 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.



January 13, 2020  
Providence, Rhode Island

**RHODE ISLAND PBS FOUNDATION**

**Statement of Financial Position**

**June 30, 2019**

Assets	
Current assets:	
Cash and cash equivalents	\$ 224,934
Pledges receivable, current (Note 4)	3,155
Accounts receivable	434,338
Contribution receivable, use of facility (Note 5)	21,165
Inventory	5,357
Prepaid expenses	<u>51,455</u>
Total current assets	<u>740,404</u>
Noncurrent assets:	
Investments (Note 6)	92,069,557
Contribution receivable, use of facility (Note 5)	295,690
Property and equipment, net (Note 7)	4,614,708
Program rights, net (Note 8)	<u>158,202</u>
Total noncurrent assets	<u>97,138,157</u>
Total assets	<u><u>\$ 97,878,561</u></u>
Liabilities and Net Assets	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 160,629
Current portion of notes payable (Note 9)	218,000
Accrued expenses	84,972
Unearned revenue	22,730
Accrued compensated absences	<u>131,601</u>
Total current liabilities	<u>617,932</u>
Long-term liabilities:	
Notes payable, net of current portion (Note 9)	<u>1,090,000</u>
Total liabilities	<u>1,707,932</u>
Net assets:	
Without donor restrictions	94,829,589
With donor restrictions (Note 10)	<u>1,341,040</u>
Total net assets	<u>96,170,629</u>
Total liabilities and net assets	<u><u>\$ 97,878,561</u></u>

See accompanying notes to the financial statements.

**RHODE ISLAND PBS FOUNDATION**  
**Statement of Revenues, Expenses and Other Changes in Net Assets**  
**For the Year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities revenue and other support:			
Subscription and membership	\$ 578,965	\$ -	\$ 578,965
Auction and special events	75,733	-	75,733
Contributions and grants	868,806	6,500	875,306
PEG access fees	1,668,243	-	1,668,243
Corporate underwriting and other	733,033	-	733,033
In-kind	13,681	-	13,681
Total operating activities revenue and other support:	<u>3,938,461</u>	<u>6,500</u>	<u>3,944,961</u>
Reclassification - net assets released from restrictions by satisfaction of program restrictions (Note 10)	<u>35,532</u>	<u>(35,532)</u>	<u>-</u>
Total revenue and other support	<u>3,973,993</u>	<u>(29,032)</u>	<u>3,944,961</u>
Expenses:			
Program services	4,530,360	-	4,530,360
Management and general	1,520,774	-	1,520,774
Fundraising	794,135	-	794,135
Total expenses	<u>6,845,269</u>	<u>-</u>	<u>6,845,269</u>
Changes in net assets from operations	<u>(2,871,276)</u>	<u>(29,032)</u>	<u>(2,900,308)</u>
Nonoperating activities:			
Investment return, net (Note 6)	3,142,500	41,058	3,183,558
Forgiveness of debt	218,000	-	218,000
Total nonoperating activities	<u>3,360,500</u>	<u>41,058</u>	<u>3,401,558</u>
Changes in net assets	489,224	12,026	501,250
Net assets, beginning of year	<u>94,340,365</u>	<u>1,329,014</u>	<u>95,669,379</u>
Net assets, end of year	<u>\$ 94,829,589</u>	<u>\$ 1,341,040</u>	<u>\$ 96,170,629</u>

See accompanying notes to the financial statements.

**RHODE ISLAND PBS FOUNDATION**

**Statement of Functional Expenses**

**For the Year Ended June 30, 2019**

	Program Services			Management and General	Fundraising	Total Expenses
	Programming and Production	Broadcasting	Total Program Services			
Salaries	\$ 798,972	\$ 1,483,569	\$ 2,282,541	\$ 461,561	\$ 341,182	\$ 3,085,284
Payroll taxes	66,816	129,022	195,838	37,238	29,722	262,798
Employee benefits	141,576	298,062	439,638	107,556	66,708	613,902
Occupancy	-	251,611	251,611	1,544	3,700	256,855
Utilities	69,910	86,344	156,254	10,271	17,415	183,940
Insurance	13,152	24,628	37,780	4,885	5,564	48,229
Premiums	-	-	-	-	85,722	85,722
Repairs and maintenance	10,095	9,305	19,400	1,526	2,515	23,441
Maintenance/ support contracts	12,821	37,972	50,793	49,913	5,621	106,327
Equipment and site maintenance	1,598	12,213	13,811	2,327	398	16,536
Merchandise purchased	-	-	-	-	3,928	3,928
Equipment purchase	5,219	2,096	7,315	120	-	7,435
Equipment rental	11,408	-	11,408	11,849	10,346	33,603
Postage	11	233	244	517	11,826	12,587
Freight	320	365	685	3,280	690	4,655
Printing	1,050	968	2,018	1,471	19,846	23,335
Internet access	14,185	-	14,185	-	-	14,185
Cable monitoring	-	436	436	-	-	436
Cable TV feed	-	2,400	2,400	-	-	2,400
Computer expense	2,622	10,294	12,916	2,351	2,396	17,663
Talent fees	35,574	-	35,574	-	-	35,574
Supplies	1,496	2,937	4,433	9,172	421	14,026
Temporary help	-	-	-	7,380	-	7,380
Dues & subscriptions	74,069	-	74,069	92,409	1,162	167,640
Travel, staff and meeting expenses	7,413	25,666	33,079	6,238	9,197	48,514
Telephone	3,347	18,395	21,742	2,531	11,926	36,199
Accounting and legal fees	-	119	119	52,983	-	53,102
Other professional fees	-	-	-	163,077	39	163,116
Program tape	1,975	-	1,975	-	-	1,975
Licensing fee	6,500	-	6,500	-	-	6,500
Advertising and marketing	380	-	380	6,698	80,225	87,303
Outside services	76,365	23,953	100,318	177,653	51,912	329,883
Engineering expense	-	12,685	12,685	-	-	12,685
Producer/present service fee	17,043	-	17,043	-	-	17,043
Meals and entertainment	3,800	141	3,941	5,807	1,823	11,571
Taxes	-	12,585	12,585	-	-	12,585
In-kind expense	-	-	-	32,002	2,211	34,213
Bad debt expense	-	-	-	-	-	-
Refunds	-	-	-	-	236	236
Miscellaneous expense	103,110	1,080	104,190	4,887	6,800	115,877
Training, Conference & Seminars	-	14,875	14,875	6,954	7,304	29,133
Grants Made	-	-	-	21,500	-	21,500
Bank and credit card fees	-	-	-	5,547	13,300	18,847
Total expenses before depreciation and amortization	1,480,827	2,461,954	3,942,781	1,291,247	794,135	6,028,163
Depreciation and amortization	126,298	461,281	587,579	229,527	-	817,106
Total expenses	\$ 1,607,125	\$ 2,923,235	\$ 4,530,360	\$ 1,520,774	\$ 794,135	\$ 6,845,269

See accompanying notes to the financial statements.

**RHODE ISLAND PBS FOUNDATION**

**Statement of Cash Flows**

**For the Year Ended June 30, 2019**

Net cash flows from operating activities:	
Changes in net assets	\$ 501,250
Adjustment to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	817,106
Forgiveness of debt	(218,000)
Unrealized loss (gain) on investments	1,282,139
Realized loss (gain) on investments	(1,552,256)
Changes in assets and liabilities:	
Pledges receivable	10,867
Accounts receivable	44,340
Contribution receivable	20,532
Inventory	212
Prepaid expenses	(28,372)
Accounts payable	(464,634)
Accrued expenses	4,333
Unearned revenue	1,855
Accrued compensated absences	32,106
Net cash provided by operating activities	<u>451,478</u>
Net cash flows from investing activities:	
Proceeds from sale on investments	23,941,850
Purchase of investments	(23,326,097)
Purchase of program rights	(299,654)
Purchase of building and equipment	<u>(959,431)</u>
Net cash used in investing activities	<u>(643,332)</u>
Net cash flows from financing activities:	
Proceeds from note payable	<u>-</u>
Net cash used in financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(191,854)
Cash and cash equivalents, beginning of year	<u>416,788</u>
Cash and cash equivalents, end of year	<u><u>\$ 224,934</u></u>
Additional disclosure:	
Interest paid	\$ -
Taxes paid	\$ 12,585

See accompanying notes to the financial statements.



# **RHODE ISLAND PBS FOUNDATION**

## **Notes to Financial Statements**

**June 30, 2019**

### **Note 1 - Description of Organization**

The Rhode Island PBS Foundation (the "Foundation") is organized as a nonprofit corporation under the laws of the State of Rhode Island. It is licensed by the Federal Communications Commission to operate a TV station (WSBE-TV) from Providence, Rhode Island. The Foundation also operates and manages the Public, Education and Government Access (PEG) program which is regulated by the Rhode Island Division of Public Utilities and Carriers.

Revenue is received through contributions, grants, fees and underwriting.

### **Note 2 - Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation 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 organization. These net assets may be used at the discretion of the Foundation 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; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### **Measure of Operations**

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing operation of TV Station (WSBE-TV) and the PEG Program. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Cash and Cash Equivalents**

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

### **Accounts and Pledges Receivable**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Foundation does not recognize conditional promises to give as revenue until the condition is met.

The Foundation uses the direct write-off method for accounts and pledges receivable that may be uncollectible. Under this method, an allowance for doubtful accounts is not maintained, but receivables are written off when they become uncollectible.

Generally accepted accounting principles require an allowance for doubtful accounts receivable whenever it can be reasonably estimated and is a material amount. The effect of using the direct write-off method instead of the reserve method is not material to these financial statements.

### **Inventory**

Inventory is valued at the lower of cost or fair market value on a specific identification basis.

### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at fair value in the accompanying financial statements. Gains or losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or by law. Investment income and dividends are recorded in net assets without donor restriction unless its use is restricted by explicit donor stipulations.

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Fair Value Measurements (continued)**

- Level 2 - Other observable inputs, either directly or indirectly, including:
  - Quoted prices for similar assets/liabilities in active markets;
  - Quoted prices for identical or similar assets in non-active markets;
  - Inputs other than quoted prices that are observable for the asset/liability; and,
  - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

### **Property and Equipment**

The Rhode Island PBS Foundation capitalizes property and equipment that costs \$5,000 or more and has a useful life of more than one year. This property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment.

	<u>Years</u>
Building	39.5
Broadcast and transmission equipment	4-15
Furniture and office equipment	5
Computer equipment and software	5
Leasehold improvements	5-15

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the period of disposal.

Renewals and improvements, which extend the useful lives of assets, are capitalized at cost. Maintenance and repairs are included as expenses in the statement of revenues, expenses and other changes in net assets.

### **Program Rights**

The program rights acquired are being amortized on the straight-line basis over their expected usage of 2 to 5 years.

### **Contributions**

Contributions received are recorded as without donor restriction or with donor restriction support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of revenues, expenses and other changes in net assets as net assets released from restrictions.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **Donated Services**

Volunteer services were provided to the Foundation during the year. These services do not require specialized skills and would not be purchased if not provided by donation. No amounts have been reflected in the accompanying statements for donated services. More than 1,642 hours, however, were provided to the station in volunteer time for fundraising and administrative activities during the year ended June 30, 2019.

### **Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Occupancy	Square footage
Professional services	Full time equivalent
Depreciation	Square footage

### **Income Taxes**

The Rhode Island PBS Foundation is exempt from income taxes as a charitable organization under Section 501(c)(3) under the Internal Revenue Code and is not considered a private foundation.

The Foundation evaluates its uncertain tax positions using the guidance for contingencies as contained in generally accepted accounting principles. The Organization was not aware of any uncertain tax positions that were not provided for in the accompanying financial statements.

The Organization annually files Internal Revenue Service Form 990 – *Return of Organization Exempt from Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. The tax return is subject to review by the taxing authorities generally for three years after filing. The Organization currently has no tax examinations in progress.

### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from those estimates.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies (continued)**

### **New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly.

### **Note 3 - Availability and Liquidity**

The following represents the Foundation's financial assets at June 30, 2019:

Financial assets at year-end:	
Cash and cash equivalents	\$ 224,934
Pledge receivable	3,155
Accounts receivable	<u>434,338</u>
Total financial assets	662,427
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Less net assets with purpose restrictions to be met in less than one year	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 662,427</u>

### **Note 4 - Pledges Receivable**

Contributions receivable for unconditional promises to give are recorded at full value. These pledges have not been adjusted to the present value of their estimated future cash flows because it was considered immaterial. Management will continue to monitor the collection of these promises to give and make any necessary write-offs when it is determined that any amounts are uncollectible.

Pledges receivable at June 30, 2019:

Due in year ended June 30, 2020	<u>\$ 3,155</u>
Total pledges receivable	<u>\$ 3,155</u>

## Note 5 - Contribution Receivable

On January 2002, the Foundation entered into a 30-year lease agreement for the use of the Tower at 89 Pine Street, Rehoboth, MA for \$1 per year. Management has estimated the approximate fair value of the rental over the remaining life of the lease to be \$431,206. A risk-free rate of 3.08 (the ten-year Treasury long term rate) was used to determine the present fair value. This unconditional promise has been recognized as revenue with donor restriction and contribution receivable in fiscal 2013.

The change in contribution receivable is as follows at June 30, 2019:

Total future lease and payment	\$ 337,387
Present value adjustment	-
Present value of in-kind rent at beginning of year	<u>337,387</u>
In-kind rent contribution received	9,468
Amount recognized as in-kind rent expense during the year	<u>(30,000)</u>
Total contribution receivable	<u>\$ 316,855</u>
In-Kind rental receivable (at net present value):	
Amounts due:	
Current:	
Less than one year	<u>\$ 21,165</u>
Noncurrent:	
Two years	21,817
Three years	22,488
Four years	23,182
Five and more	<u>228,203</u>
Total noncurrent	<u>295,690</u>
Total	<u>\$ 316,855</u>

## Note 6 - Investments

Investments are recorded at fair value and consist of the following at June 30, 2019:

Money market and cash equivalents	\$ 1,279,009
Equities	66,773,992
Fixed income	16,611,026
Treasury bill	5,500,000
Rhode Island Foundation Investment Fund	1,024,184
Private equity fund	<u>881,346</u>
Total investments	<u>\$ 92,069,557</u>

As of June 30, 2019, all investments are considered level 1 investments.

*Note 6 continued on the next page.*

**Note 6 - Investments (continued)**

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 3,030,798	\$ 16,269	\$ 3,047,067
Net realized gains (losses)	1,486,955	65,301	1,552,256
Net unrealized gains (losses)	(1,251,524)	(30,615)	(1,282,139)
Management fees	(123,729)	(9,897)	(133,626)
Total net gain (loss) on investment	<u>\$ 3,142,500</u>	<u>\$ 41,058</u>	<u>\$ 3,183,558</u>

**Note 7 - Property and Equipment**

Property and equipment for the year ended June 30, 2019:

Building	\$ 2,180,000
Building improvements	587,717
Leasehold improvements	708,925
Furniture, fixtures and equipment	128,932
Broadcast and transmission equipment	3,357,522
Computer software and equipment	<u>426,948</u>
Total property and equipment	7,390,044
Accumulated depreciation	<u>(2,775,336)</u>
Net property and equipment	<u>\$ 4,614,708</u>

**Note 8 - Program Rights**

Program rights consist of the following at June 30, 2019:

Program rights	\$ 954,315
Less accumulated amortization	<u>(796,113)</u>
Total	<u>\$ 158,202</u>

**Note 9 - Note Payable**

Note payable to the State of Rhode Island for ten years. Interest is the "mid-term applicable rate" published by the Internal Revenue Service. Interest accrues and is payable only if there is a sale of building or noncompliance with other terms of the note. Principal payments will be forgiven 1/10 of the total principal each year if the Organization complies with the terms of the note.

\$ 1,308,000

Current portion

218,000

Long-term note payable

\$ 1,090,000

Future loan payments for the next four years are as follows:

Years ended June 30,

2020	\$ 218,000
2021	218,000
2022	218,000
2023	218,000
2024	<u>218,000</u>

\$ 1,090,000

**Note 10 - Net Assets**

Net assets with donor restrictions were as follows for the year ended June 30, 2019:

Specific purpose Rhode Island Foundation Scholarship Fund	\$ 1,024,185
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Passage of time Contributions receivable – long term lease	<u>316,855</u>
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Total	<u>\$ 1,341,040</u>
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Net assets without donor restrictions were as follows for the year ended June 30, 2019:

Undesignated	<u>\$ 94,829,589</u>
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Net assets released from net assets with donor restrictions are as follows:

Satisfaction of purpose restrictions: Tower rental Rhode Island Foundation Scholarship Fund	\$ 20,532 <u>15,000</u>
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Total	<u>\$ 35,532</u>
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**Note 11 - Rhode Island Foundation Scholarship Fund**

During the year ended June 30, 2019, the Foundation opened a scholarship fund under the Rhode Island Foundation. The scholarship is awarded to those students who are Rhode Island and Bristol County Massachusetts residents who plan or are attending a four-year post-secondary school with a major in broadcasting, communications and/or journalism. When the scholarship is awarded, funds will then be released from net assets with donor restrictions.

**Note 12 - Donated In-Kind Services and Facilities Expense**

During the year ended June 30, 2019, the Foundation received in-kind services and materials that directly enhanced its delivery of program services. The valuation of in-kind services and materials has been determined based upon the estimated fair market value of such items. The donated services and material expense can be summarized as follows:

Professional services	\$ 2,002
Donated facility – tower	30,000
Other	<u>2,211</u>
Total donated services	<u>\$ 34,213</u>

**Note 13 - Operating Lease**

The Foundation leases space for the operation of five PEG Access studios from five landlords. During the year ending June 30, 2019, lease payments of \$256,855 were made.

Future lease payments are as follows:

Year ended June 30, 2020	\$ 191,953
Year ended June 30, 2021	131,459
Year ended June 30, 2022	131,459
Year ended June 30, 2023	131,459
Year ended June 30, 2024	134,722
Year ended June 30, 2025 and after	411,159

**Note 14 - Retirement Plan****Defined Benefit Plan**

The Foundation makes safe harbor matching contributions to a defined contribution annuity plan qualified under Section 403(b) of the Internal Revenue Code equal to 100% of employee's pre-tax savings contributions that do not exceed 6% of the plan participant's total compensation.

The Foundation contributed \$134,404 to the plan for the year ended June 30, 2019.

**Note 15 - Concentration of Credit Risk**

The Foundation maintains its cash balances at banks in Rhode Island and Massachusetts. Accounts at the financial institution are insured by the Federal Deposit Insurance Foundation. At June 30, 2019, the Foundation's uninsured cash balances reported as cash and cash equivalent were \$0.

**Note 16 - Related Parties**

A related party provided advisory services for the Foundation's 403(b) Plan. During the year ending June 30, 2019, no fees were paid, and no amounts are payable to this party.

**Note 17 - Subsequent Events**

Management has evaluated all subsequent events through January 13, 2020, the date the financial statements were available to be issued. As of the date of issuance of these financial statements, management has no subsequent events to report on.