

# **Rhode Island PBS Foundation**

Financial Statements

June 30, 2023 and 2022

## **Independent Auditors' Report**

### **Board of Directors Rhode Island PBS Foundation**

#### **Opinion**

We have audited the accompanying financial statements of Rhode Island PBS Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Foundation as of June 30, 2023 and 2022, 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 Foundation 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.

#### **Change in Accounting Policy**

As discussed in Note 2 to the financial statements, the Foundation adopted the Financial Accounting Standards Board ("FASB") Topic 842, *Leases*, which resulted in the recognition of a right to use asset and related lease liability effective July 1, 2022. Our opinion is not modified with respect to that matter.

#### **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 Foundation'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 Foundation'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 Foundation'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.

*PKF O'Connor Davies, LLP*

November 30, 2023

## Rhode Island PBS Foundation

### Statements of Financial Position

	June 30,	
	2023	2022
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 506,815	\$ 775,496
Pledges receivable	3,706	2,690
Accounts receivable	416,981	375,148
Contribution receivable, use of facility	23,895	23,182
Inventory	8,488	9,982
Prepaid expenses	94,635	57,183
Total Current Assets	1,054,520	1,243,681
Investments	100,630,564	96,818,449
Contribution receivable, use of facility	204,308	228,203
Property and equipment, net	4,080,468	4,245,948
Right-of-use asset, operating lease	1,278,050	-
Program rights, net	765,264	573,366
	\$ 108,013,174	\$ 103,109,647
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Current portion of note payable	\$ 318,000	\$ 221,269
Current portion of operating lease liabilities	175,631	-
Accounts payable	393,079	166,104
Accrued expenses	380,427	330,151
Unearned revenue	70,082	40,891
Total Current Liabilities	1,337,219	758,415
Notes payable, net of current portion	1,084,037	628,649
Operating lease liabilities, net of current portion	1,109,532	-
Total Liabilities	3,530,788	1,387,064
Net Assets		
Without donor restrictions		
Undesignated	99,675,563	96,713,301
Board designated for strategic plan	3,332,181	3,591,558
Board designated for scholarships	1,166,439	1,141,339
Total Without Donor Restrictions	104,174,183	101,446,198
With donor restrictions	308,203	276,385
Total Net Assets	104,482,386	101,722,583
	\$ 108,013,174	\$ 103,109,647

See Notes to Financial Statements

## Rhode Island PBS Foundation

### Statements of Activities

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>						
Subscription and membership	\$ 697,750	\$ -	\$ 697,750	\$ 713,763	\$ -	\$ 713,763
Auction and special events, net of direct donor benefits of \$76,208 and \$37,753	109,448	-	109,448	124,530	-	124,530
Contributions and grants	1,110,328	80,000	1,190,328	1,043,248	25,000	1,068,248
PEG access fees	1,314,283	-	1,314,283	1,302,849	-	1,302,849
Corporate underwriting and other	205,392	-	205,392	178,176	-	178,176
Other revenue	215,625	-	215,625	243,049	-	243,049
In-kind	85,445	-	85,445	7,512	-	7,512
Net assets released from restrictions	<u>48,182</u>	<u>(48,182)</u>	<u>-</u>	<u>22,488</u>	<u>(22,488)</u>	<u>-</u>
Total Revenue and Other Support	<u>3,786,453</u>	<u>31,818</u>	<u>3,818,271</u>	<u>3,635,615</u>	<u>2,512</u>	<u>3,638,127</u>
<b>OPERATING EXPENSES</b>						
Program services						
Production	2,431,260	-	2,431,260	2,026,527	-	2,026,527
Programming	883,357	-	883,357	764,431	-	764,431
Broadcasting/engineering	841,599	-	841,599	1,258,340	-	1,258,340
Education	500,652	-	500,652	410,195	-	410,195
PEG access	1,525,579	-	1,525,579	1,365,125	-	1,365,125
Supporting services						
Administration and general	3,137,202	-	3,137,202	2,199,757	-	2,199,757
Fundraising	<u>870,950</u>	<u>-</u>	<u>870,950</u>	<u>817,606</u>	<u>-</u>	<u>817,606</u>
Total Operating Expenses	<u>10,190,599</u>	<u>-</u>	<u>10,190,599</u>	<u>8,841,981</u>	<u>-</u>	<u>8,841,981</u>
Change in Net Assets from Operations	<u>(6,404,146)</u>	<u>31,818</u>	<u>(6,372,328)</u>	<u>(5,206,366)</u>	<u>2,512</u>	<u>(5,203,854)</u>
<b>OTHER INCOME (LOSS)</b>						
Investment income (loss), net	8,914,131	-	8,914,131	(12,822,193)	-	(12,822,193)
Forgiveness of debt	<u>218,000</u>	<u>-</u>	<u>218,000</u>	<u>218,000</u>	<u>-</u>	<u>218,000</u>
Total Other Income (Loss)	<u>9,132,131</u>	<u>-</u>	<u>9,132,131</u>	<u>(12,604,193)</u>	<u>-</u>	<u>(12,604,193)</u>
Change in Net Assets	2,727,985	31,818	2,759,803	(17,810,559)	2,512	(17,808,047)
<b>NET ASSETS</b>						
Beginning of year	<u>101,446,198</u>	<u>276,385</u>	<u>101,722,583</u>	<u>119,256,757</u>	<u>273,873</u>	<u>119,530,630</u>
End of year	<u>\$ 104,174,183</u>	<u>\$ 308,203</u>	<u>\$ 104,482,386</u>	<u>\$ 101,446,198</u>	<u>\$ 276,385</u>	<u>\$ 101,722,583</u>

See Notes to Financial Statements

**Rhode Island PBS Foundation**

Statement of Functional Expenses  
Year Ended June 30, 2023

	Program Services					Supporting Services			
	Production	Programming	Broadcasting/ Engineering	Education	PEG Access	Total	Administration and General	Fundraising	Total
Salaries and wages	\$ 1,627,142	\$ 224,052	\$ 509,581	\$ 256,320	\$ 807,627	\$ 3,424,722	\$ 616,767	\$ 365,550	\$ 4,407,039
Employee benefits	280,879	62,372	80,959	36,762	124,621	585,593	163,803	85,758	835,154
Payroll taxes	133,038	18,061	42,694	21,917	68,365	284,075	119,930	30,634	434,639
Administrative and office expenses	3,703	666	1,024	6,173	7,895	19,461	154,023	18,349	191,833
Advertising and marketing	-	-	-	-	25	25	523,404	47,796	571,225
Outreach	-	-	-	60,273	-	60,273	15,500	-	75,773
Building maintenance and utilities	94,377	34,415	77,395	14,475	79,353	300,015	172,482	42,634	515,131
Dues and subscriptions	686	95,872	-	60	-	96,618	38,493	1,021	136,132
PBS dues	-	-	-	-	-	-	78,617	-	78,617
Education expense	-	-	-	39,539	-	39,539	-	-	39,539
Engineering expenses	-	383	90,224	-	3,924	94,531	-	-	94,531
Freight and postage	-	-	163	1,310	196	1,669	3,759	-	5,428
Development expenses	66	-	-	2,727	-	2,793	-	323,052	325,845
Insurance	15,943	2,593	16,559	2,852	28,720	66,667	5,124	4,833	76,624
Accounting fees	-	-	-	-	-	-	60,050	-	60,050
Legal fees	-	-	-	-	17,645	17,645	85,172	-	102,817
Production expenses	216,287	2,303	-	-	-	218,590	-	-	218,590
Consulting fees	500	12,600	-	43,126	-	56,226	318,196	7,850	382,272
PEG access lease expense	-	-	-	500	312,697	313,197	-	-	313,197
Technology and telephone	9,520	1,116	20,249	1,203	17,766	49,854	23,342	8,199	81,395
Travel, training, conference and seminar	49,119	10,133	2,751	13,415	13,301	88,719	11,596	11,482	111,797
Debt service on equipment financing	-	-	-	-	-	-	28,201	-	28,201
Total Expenses Before Depreciation and Amortization and Direct Donor Benefits	2,431,260	464,566	841,599	500,652	1,482,135	5,720,212	2,418,459	947,158	9,085,829
Depreciation and amortization	-	418,791	-	-	43,444	462,235	718,743	-	1,180,978
Total Expenses Before Direct Donor Benefits	2,431,260	883,357	841,599	500,652	1,525,579	6,182,447	3,137,202	947,158	10,266,807
Direct Donor Benefits	-	-	-	-	-	-	-	(76,208)	(76,208)
Total Functional Expenses	<u>\$ 2,431,260</u>	<u>\$ 883,357</u>	<u>\$ 841,599</u>	<u>\$ 500,652</u>	<u>\$ 1,525,579</u>	<u>\$ 6,182,447</u>	<u>\$ 3,137,202</u>	<u>\$ 870,950</u>	<u>\$ 10,190,599</u>

**Rhode Island PBS Foundation**

Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services					Supporting Services			
	Production	Programming	Broadcasting/ Engineering	Education	PEG Access	Total	Administration and General	Fundraising	Total
Salaries and wages	\$ 1,346,586	\$ 212,327	\$ 869,108	\$ 217,989	\$ 715,467	\$ 3,361,477	\$ 437,336	\$ 363,087	\$ 4,161,900
Employee benefits	257,364	64,149	161,723	32,421	111,353	627,010	155,820	96,470	879,300
Payroll taxes	112,650	15,182	73,155	18,746	59,805	279,538	55,189	30,605	365,332
Administrative and office expenses	1,951	342	753	1,179	8,822	13,047	67,095	12,165	92,307
Advertising and marketing	-	-	-	-	-	-	83,238	55,727	138,965
Outreach	-	-	-	73,991	-	73,991	-	-	73,991
Building maintenance and utilities	71,971	25,006	36,908	5,649	79,412	218,946	94,953	27,215	341,114
Dues and subscriptions	343	86,861	5,518	2,358	-	95,080	33,432	691	129,203
PBS dues	-	-	-	-	-	-	71,134	-	71,134
Education expense	-	-	-	37,198	-	37,198	-	-	37,198
Engineering expenses	-	-	85,915	-	1,680	87,595	-	-	87,595
Freight and postage	82	1	14	-	110	207	3,764	-	3,971
Development expenses	-	-	-	-	-	-	-	248,897	248,897
Insurance	15,193	2,148	10,658	1,186	27,976	57,161	1,527	4,166	62,854
Accounting fees	-	-	-	-	-	-	35,000	-	35,000
Legal fees	-	-	-	-	11,876	11,876	32,005	-	43,881
Production expenses	202,355	6,350	-	-	-	208,705	-	-	208,705
Consulting fees	-	-	-	17,132	-	17,132	281,851	5,000	303,983
PEG access lease expense	-	-	-	-	275,405	275,405	-	-	275,405
Technology and telephone	6,848	1,233	11,381	1,039	16,525	37,026	33,850	8,888	79,764
Travel, training, conference and seminar	11,184	60	3,207	1,307	10,180	25,938	4,285	2,448	32,671
Debt service on equipment financing	-	-	-	-	-	-	299	-	299
Total Expenses Before Depreciation and Amortization and Direct Donor Benefits	2,026,527	413,659	1,258,340	410,195	1,318,611	5,427,332	1,390,778	855,359	7,673,469
Depreciation and amortization	-	350,772	-	-	46,514	397,286	808,979	-	1,206,265
Total Expenses Before Direct Donor Benefits	2,026,527	764,431	1,258,340	410,195	1,365,125	5,824,618	2,199,757	855,359	8,879,734
Direct Donor Benefits	-	-	-	-	-	-	-	(37,753)	(37,753)
Total Functional Expenses	<u>\$ 2,026,527</u>	<u>\$ 764,431</u>	<u>\$ 1,258,340</u>	<u>\$ 410,195</u>	<u>\$ 1,365,125</u>	<u>\$ 5,824,618</u>	<u>\$ 2,199,757</u>	<u>\$ 817,606</u>	<u>\$ 8,841,981</u>

## Rhode Island PBS Foundation

### Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,759,803	\$ (17,808,047)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	1,180,978	1,206,265
Amortization of debt issuance cost to interest expense	1,024	256
Forgiveness of debt	(218,000)	(218,000)
Net unrealized and realized (gains) losses on investments	(9,407,299)	12,480,899
Amortization of ROU Assets	7,113	-
Changes in operating assets and liabilities		
Pledges receivable	(1,016)	(1,698)
Accounts receivable	(41,833)	18,459
Contributions receivable	23,182	22,488
Inventory	1,494	(2,224)
Prepaid expenses	(37,452)	7,283
Accounts payable	226,975	(14,767)
Accrued expenses	50,276	(39,336)
Unearned revenue	29,191	21,369
Net Cash from Operating Activities	(5,425,564)	(4,327,053)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Repayments from private equity fund	-	157,500
Proceeds from sales of investments	17,158,162	17,298,949
Purchase of investments	(11,562,978)	(12,105,136)
Purchase of program rights	(517,383)	(519,037)
Purchases of property and equipment	(690,013)	(172,445)
Net Cash from Investing Activities	4,387,788	4,659,831
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from equipment line of credit	794,095	205,905
Payments on long-term debt	(25,000)	-
Loan closing costs paid	-	(10,243)
Net Cash from Financing Activities	769,095	195,662
Net Change in Cash and Cash Equivalents	(268,681)	528,440
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	775,496	247,056
End of year	\$ 506,815	\$ 775,496
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 27,177	\$ 43

See Notes to Financial Statements



## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 1. Nature of Foundation

Rhode Island PBS Foundation (the "Foundation"), founded in 1987, is 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, Educational, and Government Access ("PEG") Program which is regulated by the Rhode Island Division of Public Utilities and Carriers.

### 2. Summary of Significant Accounting Policies

#### ***Basis of Accounting and Use of Estimates***

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 these estimates. The more significant estimates required by management include the useful lives applied to property and equipment and the allocation methodologies applied to functional expense reporting.

#### ***Change in Accounting Policy***

The Foundation adopted Financial Accounting Standards Board Topic 842, *Leases*, using the effective date method with July 1, 2022, as the date of initial adoption, with certain practical expedients available.

The Foundation elected the available practical expedients to account for its existing capital leases and operating leases as finance and operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance on July 1, 2022, the Foundation recognized a lease liability of \$1,455,760, that represents the present value of the remaining operating lease payments of \$1,619,199, discounted using the risk free interest rate using the treasury note for the number of years remaining on the related lease, and a right-of use ("ROU") asset that represents the operating lease liability of \$1,455,760.

The standard had a material impact on the Foundation's statement of financial position but did not have an impact on its statement of activities or cash flows. The most significant impact was the recognition of ROU asset and lease liabilities for operating leases.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Basis of Presentation***

The Foundation records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This category may also include amounts designated by the Board of Directors for specific purposes.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation has no net assets required to be held in perpetuity at June 30, 2023 and 2022.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the contribution is received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. 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.

#### ***Cash and Cash Equivalents***

Except for those cash equivalents which are included in the Foundation's investment portfolio, cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

#### ***Accounts Receivable***

The Foundation carries its accounts receivable at net realizable value. On a periodic basis, the Foundation evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past bad debt expense and collections and current credit conditions. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged to bad debt expense. At June 30, 2023 and 2022, no allowance for doubtful accounts has been deemed necessary.

#### ***Inventory***

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

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Fair Value Measurement***

The Foundation follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the net asset value (“NAV”) per share as a practical expedient is not categorized within the fair value hierarchy.

#### ***Investments and Investment Valuation***

Investments are carried at fair value. Mutual funds and the money market fund are valued at the daily closing price as reported by the fund. The funds held by the Foundation are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Foundation are deemed to be actively traded.

The investments held by the Rhode Island Foundation for the Rhode Island PBS scholarship fund have been valued at the fair value of the Foundation’s share of the Rhode Island Foundation’s investment pool as of the Foundation’s fiscal year end. The Rhode Island Foundation values securities and other financial instruments on a fair value basis of accounting.

The fair values of private investments are determined by the Foundation and are based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable public market values. These values are audited annually by other auditors, most typically based on calendar year end information. The fair values of the investments in this class have been estimated using the net asset value of the Foundation’s ownership interest in partners’ capital.

#### ***Investment Income Recognition***

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Investments Risks and Uncertainties***

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

#### ***Property and Equipment***

Property and equipment are reported at cost, or if received by donation, at estimated value at the time such items are received. The Foundation capitalizes all purchases of property and equipment over \$5,000 and having a useful life of a year or more. Depreciation is provided using the straight-line method over estimated useful lives of five to thirty-nine years. Leasehold improvements are amortized over the shorter of the term of the lease inclusive of expected renewals or their estimated useful lives. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized.

#### ***Program Rights***

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

#### ***Debt Issuance Costs***

Debt issuance costs are reported on the statements of financial position as a direct deduction from the face amount of the debt. The debt issuance costs are being amortized over the term of the debt on a method that approximates the effective interest method. The Foundation reflects amortization of debt issuance costs within interest expense.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Revenue Recognition***

The Foundation recognizes revenue from a variety of sources, including but not limited to the following:

- Subscription and other support consists of contributions from the general public to support the general operations of the Foundation and are recognized upon receipt.
- PEG access fees are paid quarterly in arrears to the Foundation from fees collected from customers by cable access providers on behalf of the Foundation in accordance with applicable laws.
- Revenue derived from the licensing of content produced by the Foundation is recognized as revenue without donor restrictions when the content is provided to the broadcaster. Consideration is variable; contracts contain provisions for return of unspent funds. Licensing revenue, which is unrelated to the production of content, is recognized when the asset being licensed is made available to the customer for use.
- Underwriting revenue consists of local corporate sponsorship. Revenue of such sponsorship is recognized ratably over the sponsorship period.

#### ***Grants***

Revenue from grants and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as unearned revenue on the statements of financial position.

#### ***Contributions***

Unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as support with donor restrictions if they are received with donor stipulations that limit the use of such assets.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using a risk adjusted interest rate applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 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 1,400 and 600 hours, however, were provided to the station in volunteer time for fundraising and administrative activities during each of the years ended June 30, 2023 and 2022.

#### ***Functional Expenses***

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. 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

#### ***Measure of Operations***

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing operating of WSBE-TV and the PEG Program. Non-operating activities are limited to resources that generate return from investments and debt forgiveness.

#### ***Income Taxes***

The Foundation is exempt from income tax under Internal Revenue Code ("IRC") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that required recognition or disclosure in the financial statements.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### **Leases**

As of July 1, 2022, the Foundation leases space for the operation of five PEG Access studios from five landlords and determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and operating lease liabilities on the accompanying statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized as the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The Foundation uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset included any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 30, 2023.

On August 9, 2023, the Foundation entered into a settlement agreement with a PEG Access fee provider for payment of retroactive PEG access fees in the amount of \$1,179,755. The Foundation received the total amount of \$1,179,755 in retroactive PEG access fees from this provider on September 11, 2023.

On November 9, 2023, the Foundation entered into an Agreement and Plan of Merger with Rhode Island Public Radio d/b/a the Public's Radio, a Rhode Island nonprofit corporation. The proposed transaction is subject to the approval of the Federal Communications Commission and the Attorney General of the State of Rhode Island. Once regulatory approval is received, the transaction will close and the Public's Radio will be consolidated into the Rhode Island PBS Foundation legal entity.

### 3. Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash and cash equivalents. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 3. Concentrations of Credit Risk *(continued)*

Additionally, at June 30, 2023 and 2022, 81% of accounts receivable was due from two entities.

The investment portfolio is diversified by type of investment and industry concentrations so that no individual investment represents a significant concentration of credit risk.

### 4. 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 had estimated at the initiation of the lease term that 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 was recognized as revenue with donor restriction and contribution receivable in fiscal 2013. Amortization of the discount of this contribution receivable is included in in-kind in the accompanying statements of activities under revenues and other support.

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

	2023	2022
Total future lease and payment	\$ 270,000	\$ 300,000
Present value adjustment	(18,615)	(26,127)
Present value of in-kind rent	251,385	273,873
In-kind rent contribution received	6,818	7,512
Amount recognized as in-kind rent expense during the year	(30,000)	(30,000)
Total contribution receivable	\$ 228,203	\$ 251,385
	2023	2022
In-Kind rental receivable (at net present value):		
Amounts due:		
Current:		
Less than one year	\$ 23,895	\$ 23,182
Noncurrent:		
Two years	24,631	23,895
Three years	25,390	24,631
Four years	26,172	25,390
Five or more	128,115	154,287
Total noncurrent	204,308	228,203
	\$ 228,203	\$ 251,385



## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 5. Investments

The Foundation's investment portfolio, while not designated by the Board of Directors for a specific purpose, with the exception of the monies invested for the scholarship fund (Note 10), are maintained for long-term purposes to supplement the Foundation's annual operational support with withdrawals from the portfolio. The Foundation utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Investments are managed by an independent fund manager under investment guidelines approved by the Board of Directors and overseen by the Finance and Investment Committee. The overall investment objective is to achieve a total return over the long-term sufficient to fund the spending rate and hedge against inflation. These guidelines include ranges for amounts that may be invested in various asset classes as well as composite benchmarks for monitoring investment results.

The spending policy established by the Board of Directors allows for an annual distribution of up to 4.5% of the average balance of the investment portfolio of the previous twelve quarters.

The following table sets forth by level the Foundation's investments at fair value presented in the statements of financial position at June 30, 2023 and 2022:

	2023			
	Level 1	Level 3	NAV *	Total
Equity mutual funds	\$ 62,997,063	\$ -	\$ -	\$ 62,997,063
Fixed income mutual funds	15,962,388	-	-	15,962,388
Private equity funds	-	-	19,410,555	19,410,555
Investment in a community foundation	-	1,166,439	-	1,166,439
Investments at Fair Value	\$ 78,959,451	\$ 1,166,439	\$ 19,410,555	99,536,445
Cash and cash equivalents				1,094,119
				\$ 100,630,564
	2022			
	Level 1	Level 3	NAV *	Total
Equity mutual funds	\$ 60,472,263	\$ -	\$ -	\$ 60,472,263
Fixed income mutual funds	23,654,742	-	-	23,654,742
Private equity funds	-	-	8,121,537	8,121,537
Investment in a community foundation	-	1,141,339	-	1,141,339
Investments at Fair Value	\$ 84,127,005	\$ 1,141,339	\$ 8,121,537	93,389,881
Cash and cash equivalents				3,428,568
				\$ 96,818,449

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 5. Investments (*continued*)

(\*) As discussed in Note 2, investments measured using the practical expedient are not classified with the fair value hierarchy.

The following is a reconciliation of activity of the Foundation's financial assets valued using Level 3 inputs for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 1,141,339	\$ 1,276,487
Scholarships granted	(60,000)	(66,500)
Transfers in	-	6,500
Investment return (loss)	96,032	(64,640)
Fees	<u>(10,932)</u>	<u>(10,508)</u>
Balance at end of year	<u>\$ 1,166,439</u>	<u>\$ 1,141,339</u>

#### *Private Equity Funds*

The Foundation invests in 9 private equity funds. The valuation of each fund occurs quarterly. Unit values are determined by multiplying the value of each fund's net assets by the participants' interest in the fund. The following are the investment strategies of the private equity funds in which the Foundation has holdings at June 30, 2023:

The 747 Stuyvesant VII Parallel Fund LP ("747 Stuyvesant") was formed to create a diversified portfolio of private equity funds, co-investments, and secondaries. The Fund focuses on investments in the lower middle market buyout industry exclusively.

The Adams Street 2019 Global Fund LP ("Adams Street 2019 Global") was formed exclusively to invest in limited partnership interests in the Adams Street 2019 Growth Equity Fund LP, Adams Street 2019 Non-US Fund LP and Adams Street 2019 US Fund LP, which in turn invest in private equity limited partnerships and similar entities, as well as co-investments.

The Siguler Guff Small Buyout Opportunities Fund IV, LP ("Siguler Guff Small Buyout") invests in pooled investment vehicles managed by investment managers and direct investments primarily focused on buyout, recapitalization, and growth equity transactions of private companies doing business in the United States and Canada generally with less than \$150 million of revenue and \$15 million of earnings before interest, taxes, depreciation and amortization.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 5. Investments (*continued*)

The HarbourVest 2017 Global Fund LP (“HarbourVest 2017 Global”) was formed to make investments in limited partnerships or other pooled investment vehicles which, in turn, make private equity investments and to invest directly in private equity investments. Private equity investments are defined in the partnership agreement as investments in buyout, growth equity, venture capital, distressed debt, turnarounds, special situation, recapitalization, and other private market transactions.

The Landmark Equity Partners XVI, LP (“LEP XVI”) was formed to acquire a diversified portfolio of interests in (i) established venture capital funds, buy-out funds, mezzanine funds and other pooled investment vehicles which primarily invest in equity-oriented investments and (ii) direct private equity and equity related investments, primarily through secondary market purchases, with a maximum amount of 10% of capital commitments allocated to primary transactions.

The HarbourVest 2021 Global Feeder Fund LP (“HarbourVest 2021 Global Feeder”) was formed to make investments in limited partnerships or other pooled investment vehicles which, in turn, make private equity investments and to invest directly in private equity investments. Private equity investments are defined in the partnership agreement as investments in buyout, growth equity, venture capital, distressed debt, turnarounds, special situation, recapitalization, and other private market transactions.

The TrueBridge Capital Partners Fund VII (Cayman) Fund LP (“TrueBridge”) was formed to make investments in limited partnerships or other pooled investment vehicles which, in turn, make private equity investments and to invest directly in venture capital and growth-related private equity investments, and direct investments into start-up and development stage companies. Private equity investments are defined in the partnership agreement as investments in buyout, growth equity, venture capital, distressed debt, turnarounds, special situation, recapitalization, and other private market transactions.

The Ironwood International Ltd. (“Ironwood”) was formed for the purpose of trading and investing in investment funds. The investment objective is capital appreciation with limited variability of returns. The fund attempts to achieve this objective by investing substantially all of its assets in Ironwood Partners L.P., an investment partnership that has the same investment objective as the fund.

TA Realty Value Add Fund XIII, LP (“TA Realty”) was organized for the purpose of investing in a diversified portfolio of income-producing properties. The fund extends seven years from the date when substantially all capital commitments are invested, unless extended longer or terminated earlier.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 5. Investments (continued)

#### Private Equity Funds (continued)

Certain relevant details for investments that transact at net asset value as a practical expedient for fair value are as follows at June 30:

	2023			
	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
747 Stuyvesant	\$ 968,593	\$ 1,100,000	N/A	At maturity
Adams Street 2019 Global	2,946,307	683,915	N/A	At maturity
Siguler Guff Small Buyout	1,966,740	554,442	N/A	At maturity
HarbourVest 2017 Global	1,701,017	550,000	N/A	At maturity
LEP XVI	1,206,971	685,343	N/A	At maturity
HarbourVest 2021 Global Feeder	934,605	1,143,784	N/A	At maturity
TrueBridge	526,065	1,376,000	N/A	At maturity
Ironwood	9,197,863	-	N/A	At maturity
TA Realty	(37,606)	1,500,000	N/A	At maturity
	\$ 19,410,555	\$ 7,593,484		
	2022			
	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
747 Stuyvesant	\$ 461,504	\$ 1,550,000	N/A	At maturity
Adams Street 2019 Global	2,209,587	1,579,490	N/A	At maturity
Siguler Guff Small Buyout	1,724,310	766,811	N/A	At maturity
HarbourVest 2017 Global	1,789,727	550,000	N/A	At maturity
LEP XVI	1,201,243	1,084,084	N/A	At maturity
HarbourVest 2021 Global Feeder	437,876	1,590,000	N/A	At maturity
TrueBridge	297,290	1,640,000	N/A	At maturity
	\$ 8,121,537	\$ 8,760,385		

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 6. Property and Equipment

Property and equipment consisted of the following at June 30:

	Estimated Useful Lives	2023	2022
Land	N/A	\$ 164,400	\$ 164,400
Building	39.5 years	2,015,600	2,015,600
Building improvements	5 to 15 years	1,404,958	1,171,095
Leasehold improvements	5 to 15 years	1,264,582	1,264,582
Furniture, fixtures and equipment	5 to 7 years	170,920	152,618
Broadcast and transmission equipment	4 to 15 years	4,441,118	4,120,414
Computer software and equipment	3 to 5 years	580,187	557,374
		10,041,765	9,446,083
Accumulated depreciation and amortization		(5,961,297)	(5,200,135)
		\$ 4,080,468	\$ 4,245,948

Depreciation and amortization expense on property and equipment for the years ended June 30, 2023 and 2022 was \$797,187 and \$855,749.

### 7. Program Rights

Program rights consisted of the following at June 30:

	2023	2022
Program rights	\$ 2,866,860	\$ 2,291,171
Accumulated amortization	(2,101,596)	(1,717,805)
	\$ 765,264	\$ 573,366

Amortization expense of program rights was \$383,791 and \$350,516 for the years ended June 30, 2023 and 2022.

The following represents the estimated future amortization of the program rights:

2024	\$ 612,188
2025	150,668
2026	2,408
	\$ 765,264

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 8. Leases

The Foundation has operating leases for five PEG Access studios. These leases have remaining lease terms of 6 to 7 years.

For the year ended June 30, 2023:

Lease expense	
Operating lease cost	\$ 217,318
Supplemental cash flows	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 210,206
Weighted average remaining lease term	
Operating leases	6.46
Weighted average discount rate	
Operating leases	2.91%

Future minimum lease payments under non-cancellable leases as of June 30, 2023 are as follows:

Year ending June 30,	
2024	\$ 210,206
2025	216,782
2026	220,678
2027	220,678
2028	220,678
Thereafter	<u>319,971</u>
Total future minimum lease payments	1,408,993
Less imputed interest	<u>(123,830)</u>
Total lease liability	<u>\$ 1,285,163</u>
Reported as of June 30, 2023	
Operating lease liabilities, current portion	\$ 175,631
Operating lease liabilities, less current portion	<u>1,109,532</u>
	<u>\$ 1,285,163</u>

Total expense under these operating leases for the year ended June 30, 2022 was \$225,238.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 9. Notes Payable

Notes payable consisted of the following at June 30:

	2023	2022
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 Foundation complies with the terms of the note. The note is secured by the building and related improvements.	\$ 436,000	\$ 654,000
Note payable, Bank Rhode Island, with interest only payments through April 2023. Monthly principal payments of \$8,333 with interest at 5.91% to commence in July 2023 through April 2033. The note is secured by the equipment purchased by the loan. The note contains restrictive covenants.	975,000	205,905
	1,411,000	859,905
Debt insurance costs	(8,963)	(9,987)
Current portion	(318,000)	(221,269)
Notes payable, net of current portion	\$ 1,084,037	\$ 628,649

Aggregate maturities of the note payable as of June 30, 2023 are due in future years as follows:

2024	\$ 318,000
2025	318,000
2026	100,000
2027	100,000
2028	100,000
Thereafter	475,000
	\$ 1,411,000

### 10. Net Assets

Net assets with donor restrictions at June 30, 2023 and 2022 are comprised of the contribution receivable for the donated lease (Note 4) of \$228,203 and \$251,385. Net assets released from restriction, as a result of the recognition of the donated lease, was \$23,182 and \$22,488 for the years ended June 30, 2023 and 2022.

During the year ended June 30, 2022, the Foundation received a \$25,000 grant restricted for work with students on a broadcast. Work on this broadcast was not scheduled to commence until 2023. At June 30, 2022, the balance of \$25,000 was included in both cash and cash equivalents and net assets with donor restrictions in the accompanying statement of financial position. At June 30, 2023, the amount of \$25,000 was released from restriction, as a result of the work performed on the broadcast.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 10. Net Assets (continued)

During the year ended June 30, 2023, the Foundation received a \$30,000 grant restricted for broadcasts impacting communities of color. Work on these broadcasts is not scheduled to commence until 2024. At June 30, 2023, the balance of \$30,000 was included in both cash and cash equivalents and net assets with donor restrictions in the accompanying statement of financial position.

Also during the year ended June 30, 2023, the Foundation received a \$50,000 grant restricted for HVAC upgrades. Work on the HVAC system is not scheduled to commence until 2024. At June 30, 2023, the balance of \$50,000 was included in both cash and cash equivalents and net assets with donor restrictions in the accompanying statement of financial position.

### 11. Rhode Island Foundation Scholarship Fund

During the year ended June 30, 2019, the Board of Directors created a scholarship fund by transferring \$1,000,000 to the Rhode Island Foundation as an advisory fund. The scholarships are awarded to those students who are Rhode Island and Bristol County Massachusetts residents who plan on attending or are attending a four-year post-secondary school with a major in broadcasting, communications and/or journalism. The balances designated for the scholarship fund are \$1,166,439 and \$1,141,339 at June 30, 2023 and 2022.

### 12. In-kind Contributions

In-kind contributions consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Advertising	\$ 70,125	\$ -	Development, Administration	No associated donor restrictions	The Foundation estimates the fair value on the basis of recent comparable sale prices.
Legal Services	8,502	-	Administration	No associated donor restrictions	The Foundation estimates the fair value based on rates charged locally for comparable services.
Rent	6,818	7,512	Administration	No associated donor restrictions	The Foundation estimates the fair value on the basis of recent comparable sale prices.
	<u>\$ 85,445</u>	<u>\$ 7,512</u>			

During the years ended June 30, 2023 and 2022, the Foundation received in-kind donations of a tower for use in broadcasting with an estimated fair value of \$30,000 for the years ended June 30, 2023 and 2022. Such expense is included in administrative and general expenses in the accompanying statements of activities.



## **Rhode Island PBS Foundation**

Notes to Financial Statements  
June 30, 2023 and 2022

### **13. Retirement Plan**

The Foundation sponsors a 403(b) defined contribution plan which covers substantially all employees meeting the necessary eligibility requirements. Under the terms of the plan the Foundation makes matching contributions 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 \$188,789 and \$184,635 to the plan in the years ended June 30, 2023 and 2022.

### **14. Related Party Transactions**

During the years ended June 30, 2023 and 2022, the Foundation had the following activities with related parties:

- Advisory services for the Foundation's 403(b) Plan. For the years ended June 30, 2023 and 2022, no fees were paid, and no amounts are payable to this party.
- Subscriptions purchased of a local magazine for members. For the years ended June 30, 2023 and 2022, the Foundation purchased magazines for members in the amount of \$21,182 and \$0.

### **15. Economic Dependency**

The Foundation received 100% of PEG Access Fees from two entities during the years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, amounts due from these two entities comprised 81% and 84% of accounts receivable reported on the accompanying statements of financial position.

### **16. Liquidity and Availability of Financial Assets**

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

## Rhode Island PBS Foundation

Notes to Financial Statements  
June 30, 2023 and 2022

### 16. Liquidity and Availability of Financial Assets *(continued)*

The following represents the Foundation's financial assets available for general expenditure at June 30:

	2023	2022
Cash and cash equivalents	\$ 506,815	\$ 775,496
Pledges receivable	3,706	2,690
Accounts receivable	416,981	375,148
Investments	100,630,564	96,818,449
Total financial assets	101,558,066	97,971,783
Less: Financial assets with		
Donor-imposed restrictions	(80,000)	(25,000)
Board designated for strategic plan	(3,332,181)	(3,591,558)
Board designated for scholarships	(1,166,439)	(1,141,339)
Total restricted financial assets	(4,578,620)	(4,757,897)
Financial assets available to meet general expenditures over the next twelve months	\$ 96,979,446	\$ 93,213,886

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

\* \* \* \* \*