

# ETV Endowment of South Carolina, Inc.

Financial Statements and Supplemental Schedules as  
of June 30, 2024 and 2023 and for the Years Then  
Ended and Independent Auditor's Report

# ETV ENDOWMENT OF SOUTH CAROLINA, INC.

## Table of Contents

June 30, 2024 and 2023

	<b>Page(s)</b>
Independent Auditor's Report .....	1 - 2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities .....	4 - 5
Statements of Functional Expenses.....	6
Statements of Cash Flows .....	7
Notes to Financial Statements.....	8 - 22
Supplemental Schedules:	
Statements of Net Assets with Donor Restrictions .....	23 - 25

## **Independent Auditor's Report**

Board of Trustees  
ETV Endowment of South Carolina, Inc.  
Spartanburg, SC

### ***Report on the Audit of the Financial Statements***

#### ***Opinion***

We have audited the financial statements of ETV Endowment of South Carolina, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of net assets with donor restrictions are presented for purposes of additional analysis of the financial statements and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

**Forvis Mazars, LLP**

**Greenville, South Carolina  
October 31, 2024**

## ETV ENDOWMENT OF SOUTH CAROLINA, INC.

### Statements of Financial Position

June 30, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,266,828	\$ 3,880,863
U.S. Treasury funds	-	1,527,895
Money market funds	1,520,136	8,405
Total cash and cash equivalents	4,786,964	5,417,163
Receivables:		
Grants, net	-	27,444
Contributions, net	57,354	23,318
Other, net	206,562	125,193
Other assets	47,423	42,448
Investments	32,642,220	28,793,588
Property and equipment, net	97,119	94,253
Operating lease right-of-use assets, net	157,851	210,374
Land rights, net	177,865	194,033
Total assets	\$ 38,173,358	\$ 34,927,814
<b><u>Liabilities and Net Assets</u></b>		
Accounts payable and accrued expenses	\$ 428,682	\$ 356,465
Operating lease liabilities	159,340	211,119
Due to South Carolina ETV Commission	1,364,730	1,643,184
Due to South Carolina Educational Communications, Inc.	484,820	449,600
Reimbursable project expenses due to South Carolina Educational Communications, Inc.	105,390	57,229
Deferred revenue	50,923	65,236
Total liabilities	2,593,885	2,782,833
Net assets:		
Net assets without donor restrictions	952,169	1,230,105
Board designated for endowment	26,783,414	23,976,616
Board designated for production	437,910	437,910
Board designated for South Carolina ETV Commission	782,269	710,675
Total net assets without donor restrictions	28,955,762	26,355,306
Net assets with donor restrictions	6,623,711	5,789,675
Total net assets	35,579,473	32,144,981
Total liabilities and net assets	\$ 38,173,358	\$ 34,927,814

The accompanying notes are an integral part of these financial statements.

## ETV ENDOWMENT OF SOUTH CAROLINA, INC.

### Statement of Activities

For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating revenue and other support:</b>			
Memberships	\$ 7,662,065	\$ -	\$ 7,662,065
Grants and contributions	-	2,256,126	2,256,126
Friends of the Endowment events	672,998	-	672,998
In-kind revenue	515,662	-	515,662
Contributions	212,031	-	212,031
Matching contributions	28,534	-	28,534
Underwriting	848,960	-	848,960
Investment income, net	3,317,596	-	3,317,596
Net assets released from restrictions	1,422,090	(1,422,090)	-
Total operating revenue and other support	<u>14,679,936</u>	<u>834,036</u>	<u>15,513,972</u>
<b>Operating expenses:</b>			
Support provided on behalf of South Carolina ETV Commission			
Program purchase and production	7,652,420	-	7,652,420
Underwriting	777,366	-	777,366
<u>SCENE</u> publication	114,601	-	114,601
Advertising and professional fees	495,210	-	495,210
Program development	281,300	-	281,300
Facilities expense	1,500	-	1,500
Contractual services	125,979	-	125,979
Internships	41,575	-	41,575
Miscellaneous	81,709	-	81,709
Friends of the Endowment events	579,063	-	579,063
General and administrative	917,711	-	917,711
Member benefits	182,593	-	182,593
Fundraising	828,453	-	828,453
Total operating expenses	<u>12,079,480</u>	<u>-</u>	<u>12,079,480</u>
Change in net assets	2,600,456	834,036	3,434,492
Net assets, beginning of year	26,355,306	5,789,675	32,144,981
Net assets, end of year	<u>\$ 28,955,762</u>	<u>\$ 6,623,711</u>	<u>\$ 35,579,473</u>

The accompanying notes are an integral part of these financial statements.

**ETV ENDOWMENT OF SOUTH CAROLINA, INC.**

Statement of Activities

For the Year Ended June 30, 2023

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Operating revenue and other support:</b>			
Memberships	\$ 7,574,281	\$ -	\$ 7,574,281
Grants and contributions	-	1,400,031	1,400,031
Friends of the Endowment events	505,505	-	505,505
In-kind revenue	517,730	-	517,730
Contributions	189,192	-	189,192
Matching contributions	31,451	-	31,451
Underwriting	845,299	-	845,299
Investment income, net	2,199,923	-	2,199,923
Net assets released from restrictions	1,119,191	(1,119,191)	-
Total operating revenue and other support	12,982,572	280,840	13,263,412
<b>Operating expenses:</b>			
Support provided on behalf of South Carolina ETV Commission			
Program purchase and production	6,913,360	-	6,913,360
Underwriting	845,299	-	845,299
<u>SCENE</u> publication	145,000	-	145,000
Advertising and professional fees	485,878	-	485,878
Program development	264,000	-	264,000
Facilities expense	29,384	-	29,384
Contractual services	113,552	-	113,552
Internships	21,346	-	21,346
Miscellaneous	51,918	-	51,918
Friends of the Endowment events	425,638	-	425,638
General and administrative	871,593	-	871,593
Member benefits	234,222	-	234,222
Fundraising	818,992	-	818,992
Total operating expenses	11,220,182	-	11,220,182
Change in net assets	1,762,390	280,840	2,043,230
Net assets, beginning of year	24,592,916	5,508,835	30,101,751
Net assets, end of year	\$ 26,355,306	\$ 5,789,675	\$ 32,144,981

The accompanying notes are an integral part of these financial statements.

**ETV ENDOWMENT OF SOUTH CAROLINA, INC.**

Statements of Functional Expenses

For the Years Ended June 30, 2024 and 2023

	<b>2024</b>			
	<b>Program Support</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Program purchase	\$ 5,326,950	\$ -	\$ -	\$ 5,326,950
Program development and promotion	1,141,874	-	-	1,141,874
Program production	1,420,590	-	-	1,420,590
Underwriting	777,366	-	-	777,366
Donor engagement and stewardship	110,533	-	-	110,533
Friends of Endowment events	579,063	-	-	579,063
Salaries and benefits	665,836	624,472	-	1,290,308
Office expenses	40,597	43,980	-	84,577
Professional services	11,814	12,799	-	24,613
Travel	8,643	9,363	-	18,006
Depreciation/Amortization	7,313	28,708	-	36,021
Other	170,677	198,389	-	369,066
Printing and postage	72,060	-	627,945	700,005
Fundraising	-	-	200,508	200,508
Total Expenses	\$ 10,333,316	\$ 917,711	\$ 828,453	\$ 12,079,480

	<b>2023</b>			
	<b>Program Support</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Program purchase	\$ 5,012,479	\$ -	\$ -	\$ 5,012,479
Program development and promotion	1,111,077	-	-	1,111,077
Program production	1,089,807	-	-	1,089,807
Underwriting	845,299	-	-	845,299
Donor engagement and stewardship	166,632	-	-	166,632
Friends of Endowment events	425,638	-	-	425,638
Salaries and benefits	577,743	575,725	-	1,153,468
Office expenses	38,895	42,137	-	81,032
Professional services	11,382	12,331	-	23,713
Travel	8,507	9,215	-	17,722
Depreciation/Amortization	6,077	22,752	-	28,829
Other	168,471	209,433	-	377,904
Printing and postage	67,590	-	613,440	681,030
Fundraising	-	-	205,552	205,552
Total Expenses	\$ 9,529,597	\$ 871,593	\$ 818,992	\$ 11,220,182

The accompanying notes are an integral part of these financial statements.



## ETV ENDOWMENT OF SOUTH CAROLINA, INC.

### Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,434,492	\$ 2,043,230
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,235	12,661
Amortization	20,786	16,168
Noncash operating lease expense	52,523	49,489
Interest accretion on right-of-use liabilities	5,344	6,413
Realized and unrealized gain on investments	(2,184,941)	(1,292,781)
Contributed securities	(55,859)	(52,418)
Other	3,600	-
Changes in operating assets and liabilities:		
Receivables	(87,961)	148,742
Other assets	(4,975)	85,959
Accounts payable and accrued expenses	72,217	28,983
Operating lease liabilities	(57,123)	(55,157)
Due to South Carolina ETV Commission	(278,454)	834,443
Due to South Carolina Educational Communications, Inc.	35,220	35,128
Reimbursable project expenses	48,161	(41,510)
Deferred revenue	(14,313)	(31,588)
Net cash provided by operating activities	<u>1,003,952</u>	<u>1,787,762</u>
Cash flows from investing activities:		
Purchases of investments	(5,337,910)	(6,095,278)
Sales of investments	3,730,078	8,343,067
Purchases of property and equipment	<u>(26,319)</u>	<u>(16,958)</u>
Net cash (used in) provided by investing activities	<u>(1,634,151)</u>	<u>2,230,831</u>
(Decrease) increase in cash and cash equivalents	(630,199)	4,018,593
Cash and cash equivalents, beginning of year	<u>5,417,163</u>	<u>1,398,570</u>
Cash and cash equivalents, end of year	\$ <u>4,786,964</u>	\$ <u>5,417,163</u>
Supplemental disclosure of cash flow information		
Equipment acquired through operating lease	\$ <u>-</u>	\$ <u>13,159</u>

The accompanying notes are an integral part of these financial statements.

# ETV ENDOWMENT OF SOUTH CAROLINA, INC.

## Notes to Financial Statements

June 30, 2024 and 2023

### 1. **Organization and Significant Accounting Policies**

**General** - The ETV Endowment of South Carolina, Inc. (the “Organization”) was founded in 1977 to promote educational public broadcasting in South Carolina. The Organization provides funding for the television and radio programs broadcast on South Carolina ETV, South Carolina Public Radio and other public media stations. Its primary source of revenues is from memberships and grants. Membership contributions are received primarily from individuals and corporations located in the area served by the South Carolina ETV Commission (the “Commission”). The Organization's activities are overseen by a self-perpetuating, independent Board of Trustees.

South Carolina Educational Communications, Inc. (“Communications”) supports and promotes South Carolina educational public media activities, including the development and use of communications media for educational purposes and for support of the performing arts. The activities of Communications have been established in order to assist and further the purposes of the Organization, as well as engage in entrepreneurial activities. Communications’ activities are overseen by a self-perpetuating, independent Board of Directors. The Organization provides substantial support to Communications; however, the Organization does not control Communications. Therefore, Communications is not included in the financial statements of the Organization. During the years ended June 30, 2024 and 2023, the Organization paid approximately \$1,417,000 and \$1,078,000, respectively, for program production costs to Communications.

**Basis of Presentation** - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets are grouped into the following two classes:

***Net Assets without Donor Restrictions*** - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

***Net Assets with Donor Restrictions*** - Net assets whose use by the Organization is subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Gifts received by the Organization in which the net asset classification is uncertain or has not been determined by the donor at the time of the gift are subsequently reclassified to the appropriate net asset category based on clarification of donor intent. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Expenses are reported as decreases in net assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities as net assets released from restrictions.

**Donated Services and Assets** - Donated marketable securities and other noncash assets are recorded as contributions at their estimated fair values at the date of donation. Donations of in-kind services are recognized as in-kind revenue 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 the Organization. The Organization recognizes the revenue and corresponding expense in an amount approximating the fair value at the time of the donation.

During the years ended June 30, 2024 and 2023, the Organization received the following in-kind contributions:

- Advertising: The Organization was awarded a Google AdWords grant for in-kind advertising on Google searches. Revenue is recognized based on the market value of “cost per click” as calculated by Google. During the years ended June 30, 2024 and 2023, the Organization recognized \$469,210 and \$457,878, respectively.
- Website Services: The Organization received donations of services from a third-party vendor for website development, design and maintenance. During years ended June 30, 2024 and 2023, the Organization recognized \$41,600 and \$55,000, respectively.
- Life Insurance: The Organization was named the sole owner of a donor’s life insurance policy. Policy premiums paid by the donor directly to the insurance provider are recognized as in-kind contributions. For both years ended June 30, 2024 and 2023, the Organization recognized \$4,852.

**Grants** - The Organization records all grants as net assets with donor restrictions until the restrictions of the grant have been met; at that time the amounts are reclassified to net assets without donor restrictions. There are no conditional contributions at June 30, 2024 and 2023. Grants are generally for use in the production of programs and are primarily received from foundations, corporations and governmental entities. Certain grants are subject to review and audit. Grants receivable consist of unsecured balances due from grantor agencies for reimbursement of allowable grant expenditures and do not bear interest.

**Membership and Contribution Revenues** - The Organization records unconditional promises to give as receivables and revenues within the appropriate net assets category. Revenues are considered to be available for use unless specifically restricted by the donor. Contributions that are expected to be collected within one year are recorded at net realizable value. Contributions that are expected to be collected in future years are recorded at fair value at the date of the promise, which is measured as the present value of their future cash flows.

The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is recorded as contribution revenue in accordance with donor restrictions on the contributions. An allowance of uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises.

**Underwriting Revenues** - The Organization records all underwriting revenues in the month services are rendered. All revenues are calculated and recorded based on a predetermined fee structure. Payments on underwriting receivables are due upon receipt.

**Cash and Cash Equivalents** - Cash and cash equivalents consist of all highly-liquid investments with a maturity of three months or less and U.S. Treasury Bills and Notes with maturities of a year or less when purchased. These short-term investments are valued at cost, and the U.S. Treasury Bills and Notes are valued at fair market value.

**Investments** - Investments in equity securities, alternatives, exchange-traded funds and mutual funds are stated at fair market value. Realized and unrealized gains and losses are reflected on the statements of activities in investment income, net. Income and gains and losses on investments are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

The Board of Trustees designated \$13,253,616 of net assets without donor restrictions as board-designated endowment funds. Only a portion of the Organization's cumulative investment return on the board-designated funds will support current operations. The remainder is retained to support operations of future years and to offset potential market declines. The Organization's board-designated endowment spending rate is not to exceed 5% in any given year. Unspent funds can be carried forward for a period of up to five years. The Organization did not spend any of the investment earnings on Endowment funds during the years ended June 30, 2024 and 2023.

**Property and Equipment** - Expenditures for property and equipment are capitalized at cost if the cost is in excess of \$1,000. Donated assets are capitalized at fair market value on the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to 15 years. Upon disposition of the equipment, the cost and related accumulated depreciation are removed from the accounts, and the resulting gains or losses are reflected in the statements of activities. Repairs and maintenance costs are charged to operating expenses.

**Leases** - The Organization is a lessee in several noncancellable leases for office space and office equipment. The Organization determines whether an arrangement is or contains a lease at inception of a contract. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the financial statements. ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligations to make lease payments over the lease term.

The Organization recognizes ROU assets and lease liabilities at the lease commencement date. The Organization elected the practical expedient to account for non-lease components and the lease components to which they relate as a single lease component. The lease liability is measured as the present value of the lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable; otherwise, the Organization uses U.S. Treasury Bill rates for similar terms at the commencement date of the lease. ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised.

The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates and the presence of factors that would cause a significant expense to the Organization if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. The Organization does not recognize an ROU asset and obligation for leases with an initial term of 12 months or less.

**Friends of the Endowment** - Costs of fundraising events are recorded as fundraising expenses or Friends of the Endowment events, and the related revenues, if any, are reported as memberships, contributions or Friends of the Endowment events in the statements of activities.

**Concentrations of Credit Risk** - The Organization maintains its cash in bank deposit accounts, which at times may exceed federally-insured limits. The Organization has not experienced any losses in such accounts. It is management's opinion that the Organization is not exposed to any significant credit risk related to cash and cash equivalents.

**Tax Status** - The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization determined that there are no material unrecognized tax benefits or obligations as of June 30, 2024 and 2023.

**Functional Expenses** - The cost of providing various programs and supporting services has been reported on a functional basis in the statements of activities and statements of functional expenses. Costs directly attributable to program initiatives are recorded as such. Certain other costs have been allocated to the program initiatives and supporting services based on allowable methods used by management, such as by personnel time.

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

**New Accounting Standard** - On July 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (the “CECL”) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost. This accounting pronouncement did not have a significant impact on the financial statements.

## 2. **Investments**

Investments held as of June 30 are as follows:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash and cash equivalents	\$ 1,971,809	\$ 1,662,937
Equity securities and mutual funds	21,307,771	20,713,740
Exchange-traded funds	8,566,040	5,713,182
Alternative strategies	796,600	703,729
	<u>\$ 32,642,220</u>	<u>\$ 28,793,588</u>

Investment income and gains and losses for investments and cash equivalents of the Organization are comprised of the following for the years ending June 30:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Investment interest and dividend income, net	\$ 1,132,655	\$ 907,142
Realized and unrealized gains	2,184,941	1,292,781
	<u>\$ 3,317,596</u>	<u>\$ 2,199,923</u>

Interest and dividend income is reported net of custodial and investment management fees approximating \$55,000 and \$64,000 for the years ended June 30, 2024 and 2023, respectively.

3. **Property and Equipment**

Property and equipment consists of the following:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Data processing equipment	\$ 203,510	\$ 174,235
Equipment in process	-	14,460
Furniture and fixtures	4,549	4,549
Leasehold improvements	1,052	1,052
Land improvements	43,852	43,852
Land	45,209	45,209
	<u>298,172</u>	<u>283,357</u>
Accumulated depreciation	<u>(201,053)</u>	<u>(189,104)</u>
	<u>\$ 97,119</u>	<u>\$ 94,253</u>

4. **Fair Value Disclosures**

Fair value as defined under generally accepted accounting principles is an exit price representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Organization has characterized its financial assets and liabilities, which are measured at fair value and recorded in the statements of financial position, based on a three-level fair value hierarchy based on the inputs to valuation techniques as follows:

*Level 1* – Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at measurement date.

*Level 2* – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

*Level 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

*Equity securities*

These investments are valued at the closing price reported on the active market on which the individual securities are traded. These are classified within Level 1 of the valuation hierarchy.

*Mutual funds and exchange-traded funds*

These investments are public investment vehicles valued using the Net Asset Value (the “NAV”) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

*Alternative strategies*

These investments include holdings that are not publicly traded in active markets. SEG Partners Offshore, Ltd. investments consist of global equity investment vehicles; Brevan Howard Fund, Ltd. investments consist of debt securities and obligations, among other instruments. The value per share is based on market prices of the underlying assets and classified within Level 2 of the valuation hierarchy.



The following table sets forth by level the fair value hierarchy of the Organization's assets accounted for at fair value on a recurring basis as of June 30, 2024 and 2023:

	<u>Fair value measurements at June 30, 2024 using:</u>			
	<u>Fair value at June 30, 2024</u>	<u>Quoted prices in active markets for identical assets and liabilities (Level 1 inputs)</u>	<u>Quoted prices for similar assets and liabilities (Level 2 inputs)</u>	<u>Significant unobservable inputs (Level 3 inputs)</u>
<i><b>Assets measured at fair value:</b></i>				
Equity securities and mutual funds:				
Equity Securities:				
Consumer discretionary	\$ 205,128	\$ 205,128	\$ -	\$ -
Consumer staples	253,923	253,923	-	-
Energy	194,257	194,257	-	-
Financials	799,590	799,590	-	-
Healthcare	332,473	332,473	-	-
Industrials	405,771	405,771	-	-
Information technology	189,269	189,269	-	-
Materials	77,705	77,705	-	-
Telecommunications	145,339	145,339	-	-
Utilities	218,561	218,561	-	-
Other	183,980	183,980	-	-
Total equity securities	<u>3,005,996</u>	<u>3,005,996</u>	<u>-</u>	<u>-</u>
Mutual Funds:				
Multi-sector bond	11,332,774	11,332,774	-	-
Global multi-asset	1,753,632	1,753,632	-	-
International small/ mid value	4,014,864	4,014,864	-	-
International large value	26,828	26,828	-	-
Large-cap blend	78,032	78,032	-	-
Mid-cap value	18,222	18,222	-	-
Mid-cap growth	1,071,949	1,071,949	-	-
Small-cap growth	5,474	5,474	-	-
Total mutual funds	<u>18,301,775</u>	<u>18,301,775</u>	<u>-</u>	<u>-</u>
Alternative strategies	796,600	-	796,600 <sup>1</sup>	-
Exchange-traded funds	<u>8,566,040</u>	<u>8,566,040</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$ 30,670,411<sup>2</sup></u>	<u>\$ 29,873,811</u>	<u>\$ 796,600</u>	<u>\$ -</u>

	<u>Fair value measurements at June 30, 2023 using:</u>			
	<u>Fair value at June 30, 2023</u>	<u>Quoted prices in active markets for identical assets and liabilities (Level 1 inputs)</u>	<u>Quoted prices for similar assets and liabilities (Level 2 inputs)</u>	<u>Significant unobservable inputs (Level 3 inputs)</u>
<i><u>Assets measured at fair value:</u></i>				
Equity securities and mutual funds:				
Equity Securities:				
Consumer discretionary	\$ 199,996	\$ 199,996	\$ -	\$ -
Consumer staples	233,230	233,230	-	-
Energy	171,144	171,144	-	-
Financials	662,955	662,955	-	-
Healthcare	278,636	278,636	-	-
Industrials	371,750	371,750	-	-
Information technology	202,330	202,330	-	-
Materials	90,592	90,592	-	-
Telecommunications	121,648	121,648	-	-
Utilities	133,696	133,696	-	-
Other	135,831	135,831	-	-
Total equity securities	<u>2,601,808</u>	<u>2,601,808</u>	<u>-</u>	<u>-</u>
Mutual Funds:				
Multi-sector bond	10,160,559	10,160,559	-	-
Global multi-asset	1,581,063	1,581,063	-	-
International small/ mid value	3,495,735	3,495,735	-	-
International large value	1,749,731	1,749,731	-	-
Large-cap blend	75,954	75,954	-	-
Mid-cap value	6,060	6,060	-	-
Mid-cap growth	1,030,787	1,030,787	-	-
Small-cap growth	12,043	12,043	-	-
Total mutual funds	<u>18,111,932</u>	<u>18,111,932</u>	<u>-</u>	<u>-</u>
Alternative strategies	703,729	-	703,729 <sup>1</sup>	-
Exchange-traded funds	5,713,182	5,713,182	-	-
Total investments at fair value	<u>27,130,651<sup>2</sup></u>	<u>26,426,922</u>	<u>703,729</u>	<u>-</u>
U.S. Treasury funds	<u>1,527,895</u>	<u>1,527,895</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$ 28,658,546</u>	<u>\$ 27,954,817</u>	<u>\$ 703,729</u>	<u>\$ -</u>

<sup>1</sup>The Organization has alternative investments in private instrument funds of \$796,600 and \$703,729 as of June 30, 2024 and 2023, respectively. The Organization committed a total of \$750,000 as of June 30, 2024 and 2023. There are no unfunded commitments as of June 30, 2024 and 2023, respectively. Quarterly, the Organization can redeem its investment at the value per share quarterly with a 60-day redemption period.

<sup>2</sup>Investments, described in Note 2, are held at fair value and included in the tables above except certificates of deposit and cash and cash equivalents totaling \$1,971,809 and \$1,662,937 at June 30, 2024 or 2023. These investments are carried at cost.

## 5. Receivables

Accounts receivable include grants, unconditional promises to give and other receivables, which primarily consist of receivables from underwriting revenues.

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Pledge payments scheduled to be received after one year are discounted using U.S. Treasury Bill rates for similar term investments. The applicable rates at June 30, 2023 ranged from 2.9% to 3.0%, depending on the date the unconditional promise to give was expected to be received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

Unconditional promises to give include the following at June 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Currently due	\$ 68,750	\$ -	\$ 68,750
In one year or less	10,601	-	10,601
	<u>79,351</u>	<u>-</u>	<u>79,351</u>
Less discount	-	-	-
Less provision for losses on uncollectible promises to give	(21,997)	-	(21,997)
	<u>\$ 57,354</u>	<u>\$ -</u>	<u>\$ 57,354</u>

Unconditional promises to give include the following at June 30, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Currently due	\$ 36,750	\$ -	\$ 36,750
In one year or less	1,908	5,500	7,408
	<u>38,658</u>	<u>5,500</u>	<u>44,158</u>
Less discount	-	(157)	(157)
Less provision for losses on uncollectible promises to give	(20,518)	(165)	(20,683)
	<u>\$ 18,140</u>	<u>\$ 5,178</u>	<u>\$ 23,318</u>

Other Receivables - The Organization provides an allowance for credit losses due to uncollectible underwriting receivable, which is determined based on management's evaluation of the collectability of individual underwriting receivables, historical collection information and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. The allowance is included in other receivables on the statements of financial position. Delinquent receivables are written off based on individual evaluation and specific circumstances.

6. **Land Rights**

The Organization has rights to parking revenue generated at the Commission's location. The value assigned to the land rights approximates the present value of estimated income to be generated over the life of the agreement. The land rights are amortized over a 40-year life, using the straight-line method. Revenues generated from the Organization's parking rights were \$126,000 and \$116,000 for the years ended June 30, 2024 and 2023, respectively. Amortization expense was \$16,168 for each of the years ended June 30, 2024 and 2023.

7. **Board-Designated Net Assets**

The Board of Trustees elected to set aside surplus underwriting revenues less program management fees as board-designated for use by the Commission in future years. These designated funds will continue to be maintained and invested by the Organization until such time as the Commission requests the funds.

In 2015, the Board of Trustees elected to set aside 25% of the annual balance of net surplus without donor restrictions, not including underwriting net surplus and board-designated endowment net surplus, for a local production fund. The funds will be used to support local, original productions of the Commission.

8. **Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at June 30:

	<b><u>2024</u></b>	<b><u>2023</u></b>
National television	\$ 372,180	\$ 337,778
National/local radio	287,896	271,396
Local television	5,182,638	4,402,670
Non-broadcast education	175,815	171,149
Capital campaign	605,182	606,682
	<u>\$ 6,623,711</u>	<u>\$ 5,789,675</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restriction purposes as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
National television	\$ 912,836	\$ 669,789
National/local radio	33,900	92,663
Local television	312,836	131,377
Non-broadcast education	161,018	195,978
Capital campaign	1,500	29,384
	<u>\$ 1,422,090</u>	<u>\$ 1,119,191</u>

9. **Program Purchase and Production**

Program purchase and production support provided to the Commission, excluding capital campaign, consists of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Grant or donor restricted program expenses	\$ 1,420,590	\$ 1,089,807
Program expenses funded by the Organization	6,231,830	5,823,553
	<u>\$ 7,652,420</u>	<u>\$ 6,913,360</u>

10. **Retirement Plan**

The Organization participates in a Salary Reduction Savings Plan (the "Plan") under Section 401(k) of the Internal Revenue Code. The Plan provides participants with the opportunity to make voluntary contributions within IRS limits. The Organization matches the participant contributions at a rate of 100% not to exceed 5% of total compensation. Employer matching contributions under the Plan were \$41,598 and \$37,352 for the years ended June 30, 2024 and 2023, respectively.

11. **Leases**

The Organization has operating leases on office space and office equipment with remaining lease terms from one to five years.

The components of lease expense were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Total lease cost	\$ 57,867	\$ 50,488

Supplemental cash flow information related to leases was as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating lease liabilities	\$ 57,123	\$ 55,157

ROU asset obtained in exchange for new operating lease liabilities:

Operating leases	\$	-	\$	13,159
------------------	----	---	----	--------

Supplemental information related to leases was as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Right-of-use assets	\$ 259,863	\$ 259,863
Accumulated amortization	(102,012)	(49,489)
Net right-of-use assets	<u>\$ 157,851</u>	<u>\$ 210,374</u>
Current operating lease liabilities	\$ 52,614	\$ 51,779
Noncurrent operating lease liabilities	106,726	159,340
Total operating lease liabilities	<u>\$ 159,340</u>	<u>\$ 211,119</u>

Other information as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	2.9 Years	3.9 Years
Weighted average discount rate	2.9%	2.9%

Future minimum lease payments are as follows for the years ending June 30:

2025	\$ 56,449
2026	57,949
2027	48,749
2028	2,749
Thereafter	229
Total	<u>166,125</u>
Less: interest	(6,785)
Lease liability	<u>\$ 159,340</u>

## 12. Board-Designated Endowment Funds

The Organization's endowment consists of board-designated endowment funds established by the Board of Trustees to support the operations of the Organization. There are no donor-restricted endowment funds at June 30, 2024 or 2023.

The Board of Trustees of the Organization has interpreted the "Uniform Prudent Management of Institutional Funds Act" ("UPMIFA") as requiring the preservation of the original gift as of the gift date absent explicit donor stipulations to the contrary. Board-designated funds held by the Organization are classified as net assets without donor restrictions. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization
- (3) General economic conditions

- (4) The expected total return from income and the appreciation of investments
- (5) Other resources of the Organization
- (6) The investment policies of the Organization

Endowment net asset composition as of June 30, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated for endowment	\$ 26,783,414	\$ -	\$ 26,783,414

Endowment net asset composition as of June 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated for endowment	\$ 23,976,616	\$ -	\$ 23,976,616

Changes in board-designated endowment net assets for the years ended June 30 consists of:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2022	\$ 22,055,582	\$ -	\$ 22,055,582
Investment income	666,143	-	666,143
Net appreciation	1,254,891	-	1,254,891
Total investment gain	<u>1,921,034</u>	<u>-</u>	<u>1,921,034</u>
Endowment net assets, June 30, 2023	<u>\$ 23,976,616</u>	<u>\$ -</u>	<u>\$ 23,976,616</u>
Investment income	663,328	-	663,328
Net appreciation	2,143,470	-	2,143,470
Total investment gain	<u>2,806,798</u>	<u>-</u>	<u>2,806,798</u>
Endowment net assets, June 30, 2024	<u>\$ 26,783,414</u>	<u>\$ -</u>	<u>\$ 26,783,414</u>

**Return Objectives and Risk Parameters** - The Organization has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks.

**Strategies Employed for Achieving Investment Objectives** - To achieve its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

**Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives** - The Board of Trustees of the Organization determines the method to be used to appropriate endowment funds for expenditure. Only a portion of the cumulative investment return on the board-designated funds will support current operations. The remainder is retained to support operations of future years and offset potential market declines. The Organization's board-designated spending rate is not to exceed 5% in any given year. In establishing this policy, the Board considered the expected long-term rate of return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow annually, consistent with its intention to maintain the endowment assets as well as to provide additional growth through new gifts.

13. **Availability and Liquidity**

Financial assets at year end:	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash and cash equivalents	\$ 4,786,964	\$ 5,417,163
Contributions receivable (due within one year, net)	57,354	18,140
Investments	<u>5,866,820</u>	<u>4,826,344</u>
Total financial assets	<u>10,711,138</u>	<u>10,261,647</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>6,623,711</u>	<u>5,789,675</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 4,087,427</u>	<u>\$ 4,471,972</u>

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. Additionally, the Board has designated certain other assets as board-designated endowment funds. These assets, which are more fully described in Notes 1 and 12, are not available for general expenditure within the next year and are not reflected in the amounts above. However, a portion of the board-designated amounts could be made available, if necessary.

14. **Subsequent Events**

The Organization evaluated the effect subsequent events would have on the financial statements through October 31, 2024, which is the date the financial statements were available to be issued.



## **SUPPLEMENTAL SCHEDULES**

**ETV ENDOWMENT OF SOUTH CAROLINA, INC.**

Statements of Net Assets with Donor Restrictions

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>National Television</b>		
<i>Aldwyth: Fully Assembled</i>	\$ -	\$ 7,688
<i>American Musical Theatre</i>	7,847	7,847
<i>Friends of American Musical Theatre</i>	3,586	3,586
<i>Environmental Justice</i>	103,506	-
<i>Great Projects - Building of America</i>	17,925	17,925
<i>Great Projects - Orion</i>	30,819	30,819
<i>Live at the Charleston Music Hall</i>	-	33,870
<i>Living Lightly on Earth</i>	125,000	125,000
<i>Man and Moment - Vietnam</i>	13,847	13,847
<i>Mary Celestia</i>	24,102	24,102
<i>National Productions</i>	6,128	6,128
<i>Our Vanishing Americana</i>	-	2,260
<i>Reconnecting Roots</i>	3,325	12,135
<i>Southern Songwriters with Patrick Davis</i>	26,770	30,000
<i>Tales from the Vineyard</i>	2,250	2,250
<i>Work-Family- Outreach</i>	7,075	7,075
<i>Yoga in Practice</i>	-	13,246
	<b>\$ 372,180</b>	<b>\$ 337,778</b>
 <b>National/Local Radio</b>		
<i>American Chamber Players Residency</i>	\$ 4,634	\$ 4,634
<i>ColaJazz</i>	20,700	10,200
<i>Friends of Piano Jazz</i>	53,590	53,590
<i>InDebted</i>	-	15,600
<i>Minute with Miles</i>	51,154	60,154
<i>SC Military Voices</i>	-	13,000
<i>SceneSC</i>	-	12,400
<i>Sonatas and Soundscapes</i>	10,000	-
<i>Song Travels</i>	18,958	18,958
<i>South of Spooky</i>	25,600	25,600
<i>Spoletto 2023</i>	-	57,260
<i>Spoletto 2024</i>	57,260	-
<i>Tell Me a Story</i>	46,000	-
	<b>\$ 287,896</b>	<b>\$ 271,396</b>

See independent auditor's report

**ETV ENDOWMENT OF SOUTH CAROLINA, INC.**

Statements of Net Assets with Donor Restrictions

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Local Television</b>		
<i>A Town on Fire</i>	\$ 10,000	\$ -
Beaufort Auction	7,017	7,017
<i>Between the Waters</i>	3,428	3,428
<i>Bluegrass Express</i>	1,979	1,979
<i>By the River</i>	31,275	-
<i>Cecil Williams</i>	3,916	5,501
<i>Coastal Kingdom</i>	20,695	-
<i>The Cool and the Strong</i>	42,914	-
<i>Georgia O'Keeffe: Exploring the Abstract</i>	35,575	35,575
<i>Graceball: The Story of Bobby Richardson</i>	136,559	-
<i>In The Black</i>	30,000	-
Local Production Fund	3,457,915	3,001,737
<i>Make It Happen</i>	1,968	6,910
<i>Making It Grow</i>	242,165	242,165
<i>The Murals of Rock Hill</i>	32,404	-
<i>NatureScene Awards</i>	17,816	17,816
<i>NatureScene Production</i>	11,630	11,630
<i>Now We're Cookin'</i>	18,011	-
<i>One State Many Voices Campaign</i>	999,494	994,494
<i>Our Town</i>	10,000	-
<i>Preserving the Palmetto State</i>	2,460	2,460
<i>The Savers of Flavor</i>	290	-
<i>Sisterhood: South Carolina Suffragists</i>	-	4,331
<i>The Southern Campaign of the American Revolution</i>	14,947	17,447
WNSC (Rock Hill)	4,904	4,904
WRET (Spartanburg)	20,774	20,774
WRJA (Sumter)	24,502	24,502
	<u>\$ 5,182,638</u>	<u>\$ 4,402,670</u>
 <b>Non-Broadcast Education</b>		
<i>America's Test Kitchen Screenings</i>	\$ 546	\$ 546
<i>Backroad Bites</i>	60,000	-
Bobbi Kennedy Educational Fund	14,733	14,733
<i>Citizen Better</i>	3,682	10,594
Digital Shorts	-	40,000
Endowment 40th Anniversary	6,471	6,471
<i>Go For It - Season 3</i>	1,500	6,000
Input '23	-	7,844
Input '24	11,052	-
Interns - Shafto	38,299	38,299
John Crockett Memorial Internship	6,903	6,903
Rachel Giesy Chesser Memorial Fund	12,074	-
Reconstruction 360 Website	4,056	23,363

See independent auditor's report

**ETV ENDOWMENT OF SOUTH CAROLINA, INC.**

Statements of Net Assets with Donor Restrictions

June 30, 2024 and 2023

	<u><b>2024</b></u>	<u><b>2023</b></u>
Reconstruction Events with Henry Louis Gates, Jr.	3,514	3,514
Ron Hull Input Scholarship Fund	827	724
<i>The Sal and Amanda Project</i>	4,793	4,793
<i>Tell Them We Are Rising</i> Screening	7,365	7,365
	<u><b>\$ 175,815</b></u>	<u><b>\$ 171,149</b></u>
 <b>Capital Campaign</b>		
Telecommunications Center	\$ 308,290	\$ 309,790
South Carolina Public Radio Studios	296,892	296,892
	<u><b>\$ 605,182</b></u>	<u><b>\$ 606,682</b></u>
 <b>Total Net Assets with Donor Restrictions</b>	<u><b>\$ 6,623,711</b></u>	<u><b>\$ 5,789,675</b></u>

See independent auditor's report