

ETV Endowment of South Carolina, Inc.

Financial Statements and Supplemental Schedules as
of June 30, 2022 and 2021 and for the Years Then
Ended and Independent Auditor's Report

ETV ENDOWMENT OF SOUTH CAROLINA, INC.

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Independent Auditor's Report

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

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, 2022 and 2021, 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, 2022 and 2021, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

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, LLP

**Greenville, SC
October 26, 2022**

ETV ENDOWMENT OF SOUTH CAROLINA, INC.

Statements of Financial Position

June 30, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 220,152	\$ 220,682
Money market funds	1,178,418	1,452,472
Total cash and cash equivalents	<u>1,398,570</u>	<u>1,673,154</u>
Receivables:		
Grants, net	20,503	55,917
Contributions, net	28,912	118,105
Other, net	275,282	122,782
Other current assets	128,407	115,077
Investments	29,696,178	32,244,213
Equipment, net of accumulated depreciation of \$187,588 in 2022 and \$180,550 in 2021	89,956	94,981
Land rights, net of accumulated amortization of \$436,536 in 2022 and \$420,368 in 2021	210,201	226,369
Total assets	<u>\$ 31,848,009</u>	<u>\$ 34,650,598</u>
 <u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 327,482	\$ 425,219
Due to South Carolina ETV Commission	808,741	456,503
Due to South Carolina Educational Communications, Inc.	414,472	351,312
Reimbursable project expenses due to South Carolina Educational Communications, Inc.	98,739	70,388
Deferred revenue	96,824	43,836
Total liabilities	<u>1,746,258</u>	<u>1,347,258</u>
Net assets:		
Net assets without donor restrictions	1,388,749	1,334,200
Board designated for endowment	22,055,582	25,483,183
Board designated for production	437,910	419,727
Board designated for South Carolina ETV Commission	710,675	710,675
Total net assets without donor restrictions	<u>24,592,916</u>	<u>27,947,785</u>
Net assets with donor restrictions	5,508,835	5,355,555
Total net assets	<u>30,101,751</u>	<u>33,303,340</u>
Total liabilities and net assets	<u>\$ 31,848,009</u>	<u>\$ 34,650,598</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue and other support:			
Memberships	\$ 7,630,530	\$ -	\$ 7,630,530
Grants and contributions	-	1,209,488	1,209,488
Friends of the Endowment events	243,109	-	243,109
In-kind revenue	541,807	-	541,807
Contributions	217,540	-	217,540
Matching contributions	40,328	-	40,328
Underwriting	821,435	-	821,435
Investment loss, net	(3,445,458)	-	(3,445,458)
Net assets released from restrictions	1,056,208	(1,056,208)	-
Total operating revenue and other support	<u>7,105,499</u>	<u>153,280</u>	<u>7,258,779</u>
Operating expenses:			
Support provided on behalf of South Carolina ETV Commission			
Program production	6,597,938	-	6,597,938
Underwriting	821,435	-	821,435
<u>SCENE</u> publication	93,276	-	93,276
Advertising and professional fees	500,455	-	500,455
Program development	238,815	-	238,815
Facilities expense	1,200	-	1,200
Contractual services	106,900	-	106,900
Internships	25,148	-	25,148
Miscellaneous	27,611	-	27,611
Friends of the Endowment events	197,449	-	197,449
General and administrative	789,755	-	789,755
Member benefits	303,468	-	303,468
Fundraising	756,918	-	756,918
Total operating expenses	<u>10,460,368</u>	<u>-</u>	<u>10,460,368</u>
Change in net assets	<u>(3,354,869)</u>	<u>153,280</u>	<u>(3,201,589)</u>
Net assets, beginning of year	27,947,785	5,355,555	33,303,340
Net assets, end of year	<u>\$ 24,592,916</u>	<u>\$ 5,508,835</u>	<u>\$ 30,101,751</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue and other support:			
Memberships	\$ 7,338,518	\$ -	\$ 7,338,518
Grants and contributions	-	1,228,838	1,228,838
Friends of the Endowment events	3,000	-	3,000
In-kind revenue	503,513	-	503,513
Contributions	96,286	-	96,286
Matching contributions	42,094	-	42,094
Underwriting	644,912	-	644,912
Investment income, net	5,539,438	-	5,539,438
Net assets released from restrictions	1,529,527	(1,529,527)	-
Total operating revenue and other support	<u>15,697,288</u>	<u>(300,689)</u>	<u>15,396,599</u>
Operating expenses:			
Support provided on behalf of South Carolina ETV Commission			
Program production	6,256,374	-	6,256,374
Underwriting	644,912	-	644,912
<u>SCENE</u> publication	143,500	-	143,500
Advertising and professional fees	467,046	-	467,046
Program development	166,129	-	166,129
Facilities expense	1,200	-	1,200
Contractual services	256,487	-	256,487
Internships	19,625	-	19,625
Miscellaneous	15,657	-	15,657
General and administrative	746,839	-	746,839
Member benefits	352,283	-	352,283
Fundraising	707,192	-	707,192
Total operating expenses	<u>9,777,244</u>	<u>-</u>	<u>9,777,244</u>
Change in net assets	5,920,044	(300,689)	5,619,355
Net assets, beginning of year	22,027,741	5,656,244	27,683,985
Net assets, end of year	<u>\$ 27,947,785</u>	<u>\$ 5,355,555</u>	<u>\$ 33,303,340</u>

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, 2022 and 2021

	2022			
	Program Support	Management and General	Fundraising	Total
Program purchase	\$ 4,782,865	\$ -	\$ -	\$ 4,782,865
Program development and promotion	993,405	-	-	993,405
Program production	1,055,009	-	-	1,055,009
Underwriting	821,435	-	-	821,435
Donor engagement and stewardship	228,710	-	-	228,710
Friends of Endowment events	197,449	-	-	197,449
Salaries and benefits	532,113	518,632	-	1,050,745
Office expenses	36,690	39,748	-	76,438
Professional services	13,135	11,839	-	24,974
Travel	9,046	9,800	-	18,846
Depreciation/Amortization	5,655	22,294	-	27,949
Other	163,425	187,442	-	350,867
Printing and postage	74,758	-	596,087	670,845
Fundraising	-	-	160,831	160,831
Total Expenses	<u>\$ 8,913,695</u>	<u>\$ 789,755</u>	<u>\$ 756,918</u>	<u>\$ 10,460,368</u>

	2021			
	Program Support	Management and General	Fundraising	Total
Program purchase	\$ 4,033,239	\$ -	\$ -	\$ 4,033,239
Program development and promotion	1,069,644	-	-	1,069,644
Program production	1,528,327	-	-	1,528,327
Underwriting	644,912	-	-	644,912
Donor engagement and stewardship	283,258	-	-	283,258
Salaries and benefits	489,791	491,060	-	980,851
Office expenses	34,227	37,029	-	71,256
Professional services	12,722	16,684	-	29,406
Travel	3,364	3,645	-	7,009
Depreciation/Amortization	5,333	21,945	-	27,278
Other	149,396	176,451	-	325,847
Printing and postage	69,025	-	550,301	619,326
Fundraising	-	-	156,891	156,891
Total Expenses	<u>\$ 8,323,238</u>	<u>\$ 746,814</u>	<u>\$ 707,192</u>	<u>\$ 9,777,244</u>

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (3,201,589)	\$ 5,619,355
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,781	11,110
Amortization	16,168	16,168
Realized and unrealized loss (gain) on investments	3,980,979	(4,951,338)
Contributed securities	(121,709)	(71,430)
Changes in operating assets and liabilities:		
Receivables	(27,893)	198,630
Other current assets	(13,330)	(30,690)
Accounts payable and accrued expenses	(97,737)	137,717
Due to South Carolina ETV Commission	352,238	272,297
Due to South Carolina Educational Communications, Inc.	63,160	4,657
Reimbursable project expenses	28,351	8,603
Deferred revenue	52,988	1,984
Net cash provided by operating activities	<u>1,043,407</u>	<u>1,217,063</u>
Cash flows from investing activities:		
Purchases of investments	(5,255,923)	(10,107,731)
Sales of investments	3,944,688	9,093,834
Purchases of property and equipment	(6,756)	(2,683)
Net cash used in investing activities	<u>(1,317,991)</u>	<u>(1,016,580)</u>
(Decrease) increase in cash and cash equivalents	(274,584)	200,483
Cash and cash equivalents, beginning of year	<u>1,673,154</u>	<u>1,472,671</u>
Cash and cash equivalents, end of year	<u>\$ 1,398,570</u>	<u>\$ 1,673,154</u>

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

ETV ENDOWMENT OF SOUTH CAROLINA, INC.

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021, the Organization paid approximately \$1,042,000 and \$1,524,000, 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.

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 in 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, 2022 and 2021, 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, 2022 and 2021, the Organization recognized \$476,954 and \$417,661, 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, 2022 and 2021, the Organization recognized \$60,001 and \$81,000, 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, 2022 and 2021, 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, 2022 and 2021. 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 for 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. An allowance for uncollectible receivables is determined based on management's evaluation of the collectability of individual underwriting clients and is included in other receivables, net on the statements of financial position.

Cash and Cash Equivalents - Cash and cash equivalents consist of all highly-liquid investments with a maturity of three months or less when purchased. Short-term investments that are considered cash equivalents include repurchase agreements collateralized by U.S. Government obligations that have original maturities of three months or less. These short-term investments are valued at fair market value.

Investments - Investments in equity securities, alternatives, exchange-traded funds and mutual funds are stated at fair market value; investments in certificates of deposit are stated at cost. Realized and unrealized gains and losses are reflected in 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. During the year ended June 30, 2022, the Organization spent approximately \$50,000 of the investment earnings on the endowment funds. The Organization did not spend any of the investment earnings on Endowment funds during the year ended June 30, 2021.

Equipment - Expenditures for 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.

Fundraising - 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.

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, 2022 and 2021.

Functional Expenses - The cost of providing various programs and supporting services has been reported on a functional basis in the statements of activities. 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.

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 - During fiscal year 2022, the Organization adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU was issued to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosures. The adoption of ASU 2020-07 did not result in an adjustment to net assets.

2. **Investments**

Investments held as of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Certificates of deposit	\$ 3,009,083	\$ 2,050,755
Cash and cash equivalents	1,779,244	1,633,827
Equity securities and mutual funds	21,394,018	24,426,213
Exchange-traded funds	3,513,833	4,133,418
	<u>\$ 29,696,178</u>	<u>\$ 32,244,213</u>

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

	<u>2022</u>	<u>2021</u>
Investment interest and dividend income, net	\$ 535,521	\$ 588,100
Realized and unrealized (losses) gains	<u>(3,980,979)</u>	<u>4,951,338</u>
	<u>\$ (3,445,458)</u>	<u>\$ 5,539,438</u>

Interest and dividend income is reported net of custodial and investment management fees approximating \$65,000 and \$62,000 for the years ended June 30, 2022 and 2021, respectively.

3. 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, 2022 and 2021.

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 (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlining 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 Investments

These investments are global equity investment vehicles not publicly traded in active markets. 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, 2022 and 2021:

	Fair value measurements at June 30, 2022 using:			
		Quoted prices in active markets for identical assets and liabilities (Level 1 inputs)	Quoted prices for similar assets and Liabilities (Level 2 inputs)	Significant unobservable inputs (Level 3 inputs)
	Fair value at June 30, 2022			
<u>Assets measured at fair value:</u>				
Equity securities and mutual funds:				
Equity Securities:				
Consumer discretionary	\$ 379,642	\$ 379,642	\$ -	\$ -
Consumer staples	339,045	339,045	-	-
Energy	215,328	215,328	-	-
Financials	856,760	856,760	-	-
Healthcare	555,408	555,408	-	-
Industrials	501,825	501,825	-	-
Information technology	615,469	615,469	-	-
Materials	129,794	129,794	-	-
Telecommunications	338,029	338,029	-	-
Utilities	175,815	175,815	-	-
Other	211,029	211,029	-	-
Total equity securities	4,318,144	4,318,144	-	-
Mutual Funds:				
Multi-sector bond	9,285,127	9,285,127	-	-
Global multi-asset	1,925,157	1,925,157	-	-
International small/ mid value	2,901,886	2,901,886	-	-
International large value	1,558,975	1,558,975	-	-
Large-cap blend	71,644	71,644	-	-
Mid-cap value	5,649	5,649	-	-
Mid-cap growth	817,502	817,502	-	-
Small-cap growth	10,372	10,372	-	-
Total mutual funds	16,576,312	16,576,312	-	-
Alternative strategies	499,562	-	499,562 ¹	-
Exchange-traded funds	3,513,833	3,513,833	-	-
Total assets at fair value	\$ 24,907,851	\$ 24,408,289	\$ 499,562	\$ -

¹The Endowment has an alternative investment in a private instrument fund of \$499,562 as of June 30, 2022. The Endowment has committed a total of \$500,000 and has no unfunded commitment as of June 30, 2022. Quarterly, the Endowment can redeem its investment at the value per share quarterly with a 60-day redemption period.

		Fair value measurements at June 30, 2021 using:		
		Quoted prices in active markets for identical assets and liabilities (Level 1 inputs)	Quoted prices for similar assets and liabilities (Level 2 inputs)	Significant unobservable inputs (Level 3 inputs)
	Fair value at June 30, 2021			
<u>Assets measured at fair value:</u>				
Equity securities and mutual funds:				
Equity Securities:				
Consumer discretionary	\$ 530,224	\$ 530,224	\$ -	\$ -
Consumer staples	312,594	312,594	-	-
Energy	258,807	258,807	-	-
Financials	1,131,673	1,131,673	-	-
Healthcare	494,063	494,063	-	-
Industrials	633,907	633,907	-	-
Information technology	819,943	819,943	-	-
Materials	121,876	121,876	-	-
Telecommunications	606,523	606,523	-	-
Utilities	158,885	158,885	-	-
Other	207,543	207,543	-	-
Total equity securities	5,276,038	5,276,038	-	-
Mutual Funds:				
Multi-sector bond	9,461,954	9,461,954	-	-
Global multi-asset	2,551,091	2,551,091	-	-
International small/ mid value	3,894,575	3,894,575	-	-
International large value	2,043,028	2,043,028	-	-
Large-cap blend	84,756	84,756	-	-
Mid-cap value	7,180	7,180	-	-
Mid-cap growth	1,093,666	1,093,666	-	-
Small-cap growth	13,925	13,925	-	-
Total mutual funds	19,150,175	19,150,175	-	-
Exchange-traded funds	4,133,418	4,133,418	-	-
Total assets at fair value	\$ 28,559,631	\$ 28,559,631	\$ -	\$ -

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 \$4,788,327 and \$3,684,582 at June 30, 2022 and 2021, respectively. These investments are carried at cost.

4. **Memberships and Contributions Receivable**

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 Treasury Bill rates for similar term investments. The applicable rates at June 30, 2022 and 2021 ranged from 1.7% 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, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Currently due	\$ 26,121	\$ -	\$ 26,121
In one year or less	6,138	14,251	20,389
One year to five years	-	5,000	5,000
	<u>32,259</u>	<u>19,251</u>	<u>51,510</u>
Less discount	-	(670)	(670)
Less allowance for doubtful accounts	(21,350)	(578)	(21,928)
	<u>\$ 10,909</u>	<u>\$ 18,003</u>	<u>\$ 28,912</u>

Unconditional promises to give include the following at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Currently due	\$ 27,505	\$ -	\$ 27,505
In one year or less	1,667	88,760	90,427
One year to five years	-	27,250	27,250
	<u>29,172</u>	<u>116,010</u>	<u>145,182</u>
Less discount	-	(3,934)	(3,934)
Less allowance for doubtful accounts	(19,663)	(3,480)	(23,143)
	<u>\$ 9,509</u>	<u>\$ 108,596</u>	<u>\$ 118,105</u>

5. **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 \$112,000 and \$31,100 for the years ended June 30, 2022 and 2021, respectively. Amortization expense was \$16,168 for each of the years ended June 30, 2022 and 2021.

6. **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.

7. **Net Assets with Donor Restrictions**

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

	<u>2022</u>	<u>2021</u>
National television	\$ 408,548	\$ 492,912
National/local radio	288,370	250,306
Local television	3,976,497	3,849,030
Non-broadcast education	199,354	126,041
Capital campaign	636,066	637,266
	<u>\$ 5,508,835</u>	<u>\$ 5,355,555</u>

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

	<u>2022</u>	<u>2021</u>
National television	\$ 773,228	\$ 1,221,257
National/local radio	63,836	71,373
Local television	112,758	114,714
Non-broadcast education	105,186	120,983
Capital campaign	1,200	1,200
	<u>\$ 1,056,208</u>	<u>\$ 1,529,527</u>

8. **Program Production**

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

	<u>2022</u>	<u>2021</u>
Grant or donor restricted program expenses	\$ 1,055,009	\$ 1,528,327
Program expenses funded by the Organization	<u>5,542,929</u>	<u>4,728,047</u>
	<u>\$ 6,597,938</u>	<u>\$ 6,256,374</u>

9. **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 \$38,221 and \$36,401 for the years ended June 30, 2022 and 2021, respectively.

10. **Commitments**

The Organization leases office space under a non-cancelable operating lease, which was renewed by the Organization on April 17, 2022 for a period of five years and expires on April 30, 2027. A portion of the lease expense is allocated to Communications on an annual basis. Lease expense totaled \$45,810 and \$45,360 for the years ended June 30, 2022 and 2021, respectively. Allocated lease expense was \$5,090 and \$5,040 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments for the office space under lease are as follows for the years June 30:

2023	\$ 53,400
2024	53,400
2025	53,700
2026	55,200
2027	<u>46,000</u>
	<u>\$ 261,700</u>

11. **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, 2022 or 2021.

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, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for endowment	\$ 22,055,582	\$ -	\$ 22,055,582

Endowment net asset composition as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated for endowment	\$ 25,483,183	\$ -	\$ 25,483,183

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ 19,996,447	\$ -	\$ 19,996,447
Investment income	577,523	-	577,523
Net appreciation	4,909,213	-	4,909,213
Total investment gain	5,486,736	-	5,486,736
Appropriation	-	-	-
Endowment net assets, June 30, 2021	\$ 25,483,183	\$ -	\$ 25,483,183
Investment income	513,498	-	513,499
Net depreciation	(3,891,099)	-	(3,891,099)
Total investment loss	(3,377,601)	-	(3,377,600)
Appropriation	(50,000)	-	(50,000)
Endowment net assets, June 30, 2022	\$ 22,055,582	\$ -	\$ 22,055,582

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.

12. **Availability and Liquidity**

Financial assets at year end:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,398,570	\$ 1,673,154
Contributions receivable (due within one year, net)	10,909	9,509
Investments	7,649,968	6,770,403
Total financial assets	<u>9,059,447</u>	<u>8,453,066</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>5,508,835</u>	<u>5,355,555</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 3,550,612</u>	<u>\$ 3,097,511</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 11, 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.

13. **Subsequent Events**

The Organization evaluated the effect subsequent events would have on the financial statements through October 26, 2022, 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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
National Television		
<i>A Chef's Life</i> Season 5	\$ -	\$ 6,603
<i>After Action</i>	-	67,000
<i>Aldwyth: Fully Assembled</i>	9,438	-
<i>American Musical Theatre</i>	7,847	7,847
<i>Children in Crisis: The Story of CHIP</i>	10,000	-
<i>Downing of a Flag</i>	-	42,374
<i>Friends of A Chef's Life</i>	6,673	70
<i>Friends of American Musical Theatre</i>	3,586	3,586
<i>Friends of Live at the Charleston Music Hall</i>	-	1,000
<i>From inside the Circle</i>	25,000	25,000
<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	32,870
<i>Living Lightly on Earth</i>	125,000	125,000
<i>Man and Moment - Vietnam</i>	13,847	14,737
<i>Mary Celestia</i>	24,102	24,102
<i>National Productions</i>	6,128	6,128
<i>Our Vanishing Americana</i>	25,417	49,000
<i>Reel South</i>	-	179
<i>Southern Songwriters</i>	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>	29,571	29,347
	<u>\$ 408,548</u>	<u>\$ 492,912</u>
National/Local Radio		
<i>American Chamber Players Residency</i>	\$ 4,634	\$ 4,634
<i>ColaJazz</i>	8,950	-
<i>Friends of Piano Jazz</i>	55,090	57,115
<i>Minute with Miles</i>	60,154	60,154
<i>Project8</i>	18,000	-
<i>SC Military Voices</i>	13,000	-
<i>SceneSC</i>	12,400	-
<i>Song Travels</i>	18,958	18,958
<i>South of Spooky</i>	26,800	25,000
<i>Southern Sound Radio</i>	7,500	2,500
<i>Spoletto 2021</i>	-	71,740
<i>Spoletto 2022</i>	58,429	-
<i>Walter Edgar's Journal</i>	4,455	10,205
	<u>\$ 288,370</u>	<u>\$ 250,306</u>

See independent auditor's report

ETV ENDOWMENT OF SOUTH CAROLINA, INC.

Statements of Net Assets with Donor Restrictions

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Local Television		
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>	11,780	13,000
<i>Cecil Williams</i>	43,991	24,066
<i>Georgia O'Keeffe: Exploring the Abstract</i>	35,575	35,575
Local Production Fund	2,529,767	2,431,381
<i>Make It Happen</i>	6,910	6,910
<i>Making It Grow</i>	245,192	240,194
<i>More Making It Grow</i>	-	2,961
<i>NatureScene Awards</i>	17,816	17,816
<i>NatureScene Production</i>	11,630	11,630
<i>One State, Many Voices Campaign</i>	986,994	979,455
<i>Preserving the Palmetto State</i>	2,460	2,460
<i>Sisterhood: South Carolina Suffragists</i>	4,331	3,531
<i>The Southern Campaign of the American Revolution</i>	17,447	17,447
WNSC (Rock Hill)	4,904	4,904
WRET (Spartanburg)	20,774	20,774
WRJA (Sumter)	24,502	24,502
	<u>\$ 3,976,497</u>	<u>\$ 3,849,030</u>
Non-Broadcast Education		
<i>America's Test Kitchen Screenings</i>	\$ 546	\$ 547
Bobbi Kennedy Educational Fund	13,010	10,810
<i>Backroad Bites & Digital Shorts</i>	40,000	25,000
Endowment 40th Anniversary	6,471	6,471
<i>Go For It – Season 3</i>	38,000	-
Input 2020	-	9,628
Input 2022	10,254	-
Interns – Shafto	45,782	45,782
John Crockett Memorial Internship	5,341	5,341
Reconstruction 360 Website	24,278	11,583
Reconstruction Events with Henry Louis Gates, Jr	3,514	3,514
<i>The Sal and Amanda Project</i>	4,793	-
<i>Tell Them We Are Rising Screening</i>	7,365	7,365
	<u>\$ 199,354</u>	<u>\$ 126,041</u>
Capital Campaign		
Telecommunications Center	\$ 339,174	\$ 340,374
South Carolina Public Radio Studio	296,892	296,892
	<u>\$ 636,066</u>	<u>\$ 637,266</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 5,508,835</u></u>	<u><u>\$ 5,355,555</u></u>

See independent auditor's report