

Ideastream Public Media
Financial Report
September 30, 2023 and 2022



Contents

Independent Auditors' Report	1-2
------------------------------	-----

Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-25



+ 1111 Superior Avenue, Suite 700, Cleveland, Ohio 44114

+ p 216.363.0100 | f 216.363.0500

+ www.maloneynovotny.com

Independent Auditors' Report

Board of Trustees
Ideastream Public Media
Cleveland, Ohio

Opinion

We have audited the accompanying financial statements of Ideastream Public Media (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ideastream Public Media as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Method Related to Leases

As discussed in Notes 1 and 9 to the financial statements, Ideastream changed their method of accounting for leases during the year ended September 30, 2023 due to the adoption of Accounting Standards Codification ("ASC") 842, *Leases*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audits 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 it 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 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 Ideastream Public Media'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 Ideastream Public Media'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Meloney + Novotny LLC

Cleveland, Ohio
December 14, 2023

Statements of Financial Position
September 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,001,525	\$ 2,342,483
Accounts and contributions receivable, net	5,549,676	6,029,962
Prepaid expenses, deposits and other	415,827	352,726
Total current assets	6,967,028	8,725,171
Other assets:		
Restricted cash	200,000	100,000
Investments at fair value	21,677,080	18,422,723
Accounts and contributions receivable, net	65,488	45,415
Property, plant and equipment, net	5,029,020	4,681,357
Right-of-use assets - operating	4,472,962	-
Right-of-use assets - financing	145,332	116,686
Broadcast license	2,420,000	2,420,000
Equity method investment and other	6,147,630	6,868,336
Total other assets	40,157,512	32,654,517
Total assets	\$47,124,540	\$41,379,688
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 88,339	\$ 251,432
Current portion of operating lease liabilities	331,105	-
Current portion of financing lease liabilities	45,535	31,620
Accrued liabilities and other	2,295,894	2,179,537
Capital lease obligation	-	31,628
Total current liabilities	2,760,873	2,494,217
Long-term liabilities:		
Operating lease liabilities, net of current portion	4,144,389	-
Financing lease liabilities, net of current portion	88,933	70,351
Statewide collaborative reserves	150,000	75,000
Total long-term liabilities	4,383,322	145,351
Net assets:		
Without donor restrictions	33,909,576	32,260,279
With donor restrictions	6,070,769	6,479,841
Total net assets	39,980,345	38,740,120
Total liabilities and net assets	\$47,124,540	\$41,379,688

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

Ideastream Public Media
Statement of Activities
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support:			
Contributed revenue:			
Individual support	\$10,130,114	\$ 675,945	\$10,806,059
Foundation and corporate support	371,391	1,687,773	2,059,164
Underwriting	2,872,426		2,872,426
Government and other public media support	450,238	6,707,239	7,157,477
In-kind contributions	745,863		745,863
Change in value of split interest agreement	(173)		(173)
Earned revenue:			
Spectrum lease revenue	2,226,384		2,226,384
Other earned revenue	295,721		295,721
Investment return appropriated for operations	836,157	61,994	898,151
Net assets released from restrictions	9,652,283	(9,652,283)	-
Total operating revenues and support	27,580,404	(519,332)	27,061,072
Operating expenses:			
Program service expense	17,554,911		17,554,911
General and administrative	4,459,109		4,459,109
Marketing and development	4,736,692		4,736,692
Total operating expenses	26,750,712		26,750,712
Change in net assets from operating activities	829,692	(519,332)	310,360
Non-operating activities:			
Loss on equity method investments	(770,903)		(770,903)
Loss on disposal of equipment	(112)		(112)
Investment return, net of return appropriated for operations	1,590,620	110,260	1,700,880
Change in net assets from non-operating activities	819,605	110,260	929,865
Total change in net assets	1,649,297	(409,072)	1,240,225
Net assets, beginning of year	32,260,279	6,479,841	38,740,120
Net assets, end of year	<u>\$33,909,576</u>	<u>\$ 6,070,769</u>	<u>\$39,980,345</u>

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

Statement of Activities
Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support:			
Contributed revenue:			
Individual support	\$ 9,695,424	\$ 477,485	\$10,172,909
Foundation and corporate support	574,922	1,143,000	1,717,922
Underwriting	3,240,448		3,240,448
Government and other public media support	529,481	7,152,748	7,682,229
In-kind contributions	819,667		819,667
Change in value of split interest agreement	(234)		(234)
Earned revenue:			
Spectrum lease revenue	1,443,260		1,443,260
Other earned revenue	171,606		171,606
Investment return appropriated for operations	387,861	332,648	720,509
Net assets released from restrictions	<u>9,869,351</u>	<u>(9,869,351)</u>	<u>-</u>
Total operating revenues and support	26,731,786	(763,470)	25,968,316
Operating expenses:			
Programming	16,326,801		16,326,801
General and administrative	4,753,297		4,753,297
Marketing and development	<u>5,379,585</u>		<u>5,379,585</u>
Total operating expenses	<u>26,459,683</u>		<u>26,459,683</u>
Change in net assets from operating activities	<u>272,103</u>	<u>(763,470)</u>	<u>(491,367)</u>
Non-operating activities:			
Loss on equity method investments	(851,135)		(851,135)
Gain on disposal of equipment	18,000		18,000
Investment return, net of return appropriated for operations	<u>(4,637,319)</u>	<u>(671,000)</u>	<u>(5,308,319)</u>
Change in net assets from non-operating activities	<u>(5,470,454)</u>	<u>(671,000)</u>	<u>(6,141,454)</u>
Total change in net assets	(5,198,351)	(1,434,470)	(6,632,821)
Net assets, beginning of year	<u>37,458,630</u>	<u>7,914,311</u>	<u>45,372,941</u>
Net assets, end of year	<u><u>\$32,260,279</u></u>	<u><u>\$ 6,479,841</u></u>	<u><u>\$38,740,120</u></u>

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

Ideastream Public Media
**Statement of Functional Expenses
Year Ended September 30, 2023**

	Program Service Expense					General and Administrative	Marketing and Development	Total Expenses by Natural Classification
	News and Information	Arts and Entertainment	Classical and Jazz Music	Education	Total Programming			
Salaries and benefits	\$ 6,743,660	\$ 1,046,505	\$ 794,303	\$ 611,161	\$ 9,195,629	2,405,533	2,548,013	\$14,149,175
Program acquisition and affiliation fees	2,132,428	1,216,763	13,205	336,437	3,698,833			3,698,833
Contractors and professional services	1,153,963	616,638	146,899	22,296	1,939,796	989,373	866,461	3,795,630
Depreciation	263,388	319,298	33,159	19,725	635,570	77,639	82,238	795,447
Building rent expense	316,608	49,132	37,292	28,693	431,725	112,937	119,627	664,289
Utilities and telecommunications	241,298	134,713	61,820	37,082	474,913	165,177	848	640,938
Premiums and premiums fulfillment	1,157				1,157		210,169	211,326
Printing, postage and shipping	1,408	506	259	540	2,713	3,194	298,842	304,749
Financial expenses	2,852	447	205	124	3,628	10,692	296,707	311,027
Maintenance, repairs and equipment	176,194	77,692	35,727	21,482	311,095	51,914		363,009
Supplies and equipment	113,184	11,903	5,335	13,978	144,400	60,916	18,261	223,577
Software and hardware	49,654	8,669	6,030	529	64,882	195,922	1,793	262,597
Dues and subscriptions	53,289	37,496	23	1,755	92,563	81,906	24,329	198,798
Advertising	12,090	14,771		244	27,105	40,592	127,740	195,437
Equipment purchased for state services	261,064				261,064			261,064
Agency commissions					-		68,052	68,052
Insurance	17,927				17,927	110,121		128,048
Hospitality	25,080	1,750	2,219	1,082	30,131	83,708	45,223	159,062
Meetings, training and travel	83,012	4,842	670	7,578	96,102	68,478	23,561	188,141
Tower rent	51,342	29,296	13,472	8,100	102,210			102,210
Miscellaneous	20,768	1,497	689	514	23,468	1,007	4,828	29,303
Total expenses by function	\$11,720,366	\$ 3,571,918	\$ 1,151,307	\$ 1,111,320	\$17,554,911	\$ 4,459,109	\$ 4,736,692	\$26,750,712

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

Ideastream Public Media
**Statement of Functional Expenses
Year Ended September 30, 2022**

	Programming							Total Expenses by Natural Classification
	News & Information	Arts & Entertainment	Classical & Jazz Music	Education	Total Programming	General and Administrative	Marketing and Development	
Salaries and benefits	\$ 5,720,591	\$ 1,144,269	\$ 715,818	\$ 445,083	\$ 8,025,761	\$ 3,223,277	\$ 2,457,229	\$13,706,267
Program acquisition and affiliation fees	2,210,670	1,144,564	9,022	370,379	3,734,635			3,734,635
Contractors and professional services	873,901	629,351	184,013	5,935	1,693,200	492,190	1,495,868	3,681,258
Depreciation	359,984	193,389	83,774	62,293	699,440	17,562	13,388	730,389
Building rent expense	272,575	54,522	34,107	21,207	382,411	153,583	117,082	653,076
Utilities and telecommunications	254,001	104,242	45,810	33,470	437,523	180,691	2,305	620,519
Premiums and premiums fulfillment	504				504		210,412	210,916
Printing, postage and shipping	4,123	963	569	2,220	7,875	2,114	309,678	319,667
Financial expenses	3,613	684	299	221	4,817	22,338	337,322	364,477
Maintenance, repairs and equipment	159,837	74,113	32,423	23,983	290,356	36,950		327,306
Supplies and equipment	111,301	16,507	7,818	12,983	148,609	132,862	724	282,195
Software and hardware	117,814	3,927	1,718	1,271	124,730	180,881	979	306,590
Dues and subscriptions	49,161	37,705	84	1,204	88,154	65,900	23,779	177,834
Advertising	4,230	1,465			5,695	12,151	229,645	247,491
Equipment purchased for state services	449,342				449,342			449,342
Agency commissions					-		122,629	122,629
Insurance					-	132,501		132,501
Hospitality	15,221	66	2,270	360	17,917	44,278	24,596	86,791
Meetings and travel	42,414	2,702	1,168	3,821	50,105	72,129	13,360	135,594
Tower rent	55,598	28,786	12,593	9,315	106,292			106,292
Miscellaneous	25,105	1,919	840	621	28,485	1,452	33,977	63,914
Total expenses by function	\$10,729,985	\$ 3,439,174	\$ 1,132,326	\$ 994,366	\$16,295,851	\$ 4,770,859	\$ 5,392,973	\$26,459,683

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

Ideastream Public Media
Statements of Cash Flows
Year Ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 1,240,225	\$ (6,632,821)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	795,447	730,390
Amortization of right of use assets - operating	318,916	-
Loss (gain) on disposal of equipment	112	(18,000)
Actuarial loss on gift annuity obligation	173	234
Net realized and unrealized (gain) loss on investments	(2,059,904)	5,451,568
Change in allowance and discount on long-term contributions receivable	2,427	(7,378)
Loss on uncollectible contributions receivable	11,293	18,654
Loss on equity method investments	770,903	856,415
Changes in operating assets and liabilities:		
Accounts and contributions receivable	446,493	(290,465)
Prepaid expenses, deposits and other	(63,101)	1,673,355
Operating lease liabilities	(316,383)	-
Accounts payable, accrued liabilities and other	(86,317)	52,435
The Ohio Newsroom reserves	75,000	75,000
Net cash provided by operating activities	1,135,284	1,909,387
Cash flows from investing activities:		
Capital expenditures	(1,008,208)	(1,938,738)
Capital contributions to equity method investments	(39,380)	(31,899)
Purchase of investments	(4,917,790)	(28,155,102)
Proceeds from the sale of investments	3,624,934	28,102,624
Net cash used in investing activities	(2,340,444)	(2,023,115)
Cash flows from financing activities:		
Principal payments on lease obligations	(35,798)	(23,707)
Net decrease in cash and cash equivalents	(1,240,958)	(137,435)
Cash, cash equivalents and restricted cash:		
Beginning	2,442,483	2,579,918
Ending	\$ 1,201,525	\$ 2,442,483
Cash	\$ 1,001,525	\$ 2,342,483
Restricted cash	200,000	100,000
Cash, cash equivalents and restricted cash at end of year	\$ 1,201,525	\$ 2,442,483
Supplemental disclosures of cash flow information:		
Non-cash investing and financing activities:		
Assets acquired under finance leases	\$ 68,287	\$ 61,755
Assets acquired included in accounts payable	\$ 95,374	\$ 48,471
Lease liabilities arising from right of use assets	\$ 141,009	\$ -
Lease liabilities arising from 842 adoption	\$ 4,650,869	\$ -
Cash paid for interest	\$ 3,369	\$ 3,669

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

Ideastream Public Media

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of operations: Ideastream Public Media ("Ideastream") is an Ohio nonprofit corporation. Publicly supported and locally owned, Ideastream's mission is to be a trusted and dynamic multimedia source for illuminating the world around us. Ideastream services include WVIZ/PBS, with five channels of public television service; WKSU, Northeast Ohio's NPR news and information radio service (see Note 14); WCLV, Northeast Ohio's classical and jazz music radio service; Ideastream Education, with educational resources, services and the award-winning children's series NewsDepth; and management of The Ohio Channel, the Ohio Public Radio and Television Statehouse News Bureau and The Ohio Newsroom on behalf of all Ohio's public media stations. Through television, radio, digital and in-person experiences, Ideastream engages with 4 million people in a typical month. Ideastream's free, trusted coverage focuses on four core services: news and information, arts and entertainment, classical and jazz music and education.

Basis for presentation: The financial statements have been prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America. Ideastream has reported information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions: Net assets whose use has not been limited by donors for any period of time or for any specific purpose. Certain net assets without donor restrictions are designated for specific purposes by action of the governing board.

With donor restrictions: Net assets whose use by Ideastream is subject to donor-imposed restrictions. Net assets with donor restrictions can either be spendable, where the donor-imposed restrictions can be fulfilled by actions of Ideastream pursuant to those restrictions or that expire by the passage of time, or non-spendable, where the donor-imposed restrictions stipulate the net assets must be maintained permanently. 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.

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.

Operating and non-operating activities: For the purpose of the statements of activities, Ideastream considers its changes in net assets without donor restrictions to be operational changes, except for net investment return on endowment investments or other unusual activity, which are reflected as non-operating activities. In addition, investment return received or earned to be invested by Ideastream to generate a return that will support operations is included in non-operating activities and classified either as net assets without donor restrictions or net assets with donor restrictions.

Cash and cash equivalents: Ideastream considers all highly liquid debt instruments with a maturity of 90 days or less to be cash equivalents. Ideastream maintains cash and cash equivalents at financial institutions which, at times, may exceed federally insured amounts and may exceed statement of financial position amounts due to outstanding checks.

Restricted cash: As the managing station of The Ohio Newsroom, Ideastream holds cash reserves from participating stations to support cash flow needs of the project. The restricted cash balance is classified as long-term assets.

Notes to Financial Statements (Continued)

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Prepaid expenses, deposits and other assets: Prepaid expenses, deposits and other assets represent cash payments prior to September 30, 2023 and 2022 for which the related benefit will be recognized in future periods.

Property, plant and equipment: Property, plant and equipment is recorded at historical cost or, if contributed, estimated fair value at the date of the contribution, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful life of the related asset, which ranges from 3 to 40 years. Maintenance and repairs are charged to expense when incurred. Ideastream reviews its investments in property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. There were no impairment losses recognized in 2023 or 2022.

Adoption of new accounting standard: In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, and has subsequently issued supplemental and clarifying ASUs (collectively "ASC 842"). The amendments in ASC 842 changed the existing accounting standards for lease accounting, including requiring lessees to recognize most operating leases on their balance sheets. ASC 842 requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. Upon its adoption of ASC 842 on October 1, 2022, Ideastream adopted the package of practical expedients for all leases that commenced before the effective date of October 1, 2022. Accordingly, Ideastream 1) did not reassess whether any expired or existing contracts are or contain leases, 2) did not reassess the lease classification for any expired or existing lease and 3) did not reassess initial direct costs for any existing leases.

Operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As Ideastream's leases generally do not include an implicit rate, Ideastream used the risk-free rate over the time frame of the lease to determine the present value of future payments. The operating lease ROU asset also includes any payments made and excludes lease incentives and any initial direct costs incurred. Ideastream's operating lease ROU assets and operating lease liabilities are calculated including options to extend the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.

Broadcast license: The intangible asset represents the appraised value of the radio station license for WCLV transferred to Ideastream from Radio Seaway, Inc. in 2021. The station license is deemed to have an indefinite life and is not amortized but is subject to periodic impairment tests. Management reviews the station license annually for impairment; additional tests for potential impairment are performed if warranted by the occurrence of events or changes in circumstances between annual tests that indicate the station license may be impaired. There was no impairment identified by Ideastream for the years ended September 30, 2023 and 2022.

Statewide collaborative reserves: Reserve funding payments received from other participating Ohio public media stations in The Ohio Newsroom, held as restricted cash, are recorded as a long-term liability.

Revenue recognition: Revenue is recognized when deemed to be earned, based upon the characteristics of the revenue streams:

Notes to Financial Statements (Continued)

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition (Continued):

Contributed revenue: Contributions, including unconditional promises to give and government contracts or grants deemed to be contributions, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Conditional promises to give related to the following programs at September 30, 2023 and 2022:

- Ohio Ready-to-Learn educational program amounted to \$-0- and \$57,531, respectively.
- Ohio Learns 360 educational program amounted to \$297,409 and \$412,688, respectively.
- Capital matching grants amounted to \$300,383 and \$149,600, respectively.

In addition, Ideastream has received conditional underwriting contributions from various donors, the value of which depends on the timing of recognition in future periods.

Contributions of services, or in-kind revenue, are not recognized unless the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Earned revenue: Revenue from exchange transactions is recognized as revenues in the period when they have been realized or are realizable and are deemed to have been earned by delivering or producing goods, rendering services or substantially accomplishing what must be done in order to be entitled to the benefits represented by the revenue. Earned revenue for the years ended September 30, 2023 and 2022 has been recognized at a point in time.

In-kind revenue and expense: In-kind contributions consist of donated material and professional services for exempt purposes, and are recognized at the time the services are performed, or goods received. Revenues and expenses of contributed support are presented throughout the applicable revenue and expense categories for which the support was contributed in the statements of activities. For the years ended September 30, 2023 and 2022, \$720,288 and \$794,517, respectively, of in-kind contributions were recognized related to programming and production services and \$25,575 and \$25,150, respectively, for professional general and administrative services.

Federal income tax: Ideastream qualifies as an organization exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code ("IRC"). As such, Ideastream is generally not subject to federal or state income taxes except for amounts derived from unrelated business activities as defined by the IRC.

The FASB provides guidance for how uncertain income tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing Ideastream's tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the years ended September 30, 2023 and 2022, management has determined there are no uncertain tax positions.

Functional allocation of expenses: The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy related charges on a square footage basis, with the remaining expenses which are allocated on the basis of estimates of time and effort.

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Reclassification: Certain reclassifications have been made to prior year balances to conform to the current year presentation.

Subsequent events: Ideastream has evaluated all events subsequent to the statement of financial position date of September 30, 2023, through December 14, 2023, which is the date these financial statements were available to be issued.

Note 2. Receivables

The balances of the various receivables based on anticipated collection are as follows for the years ended:

	September 30, 2023				
	Pledges Receivable	Foundation, Corporation and Government Contributions	Underwriting Contributions Receivable	Earned Revenue and Other Accounts Receivable	Total
Less than one year	\$ 384,421	\$4,399,224	\$ 528,294	\$ 270,737	\$5,582,676
One year to four years	25,000	45,000			70,000
Total receivables	409,421	4,444,224	528,294	270,737	5,652,676
Less allowance for uncollectible accounts			(33,000)		(33,000)
Less discount on receivables	(1,611)	(2,901)			(4,512)
Total receivables	<u>\$ 407,810</u>	<u>\$4,441,323</u>	<u>\$ 495,294</u>	<u>\$ 270,737</u>	<u>\$5,615,164</u>

	September 30, 2022				
	Pledges Receivable	Foundation, Corporation and Government Contributions	Underwriting Contributions Receivable	Earned Revenue and Other Accounts Receivable	Total
Less than one year	\$ 183,806	\$4,987,490	\$ 512,688	\$ 374,922	\$6,058,906
One year to four years		47,500			47,500
Total receivables	183,806	5,034,990	512,688	374,922	6,106,406
Less allowance for uncollectible accounts			(28,944)		(28,944)
Less discount on receivables		(2,085)			(2,085)
Total receivables	<u>\$ 183,806</u>	<u>\$5,032,905</u>	<u>\$ 483,744</u>	<u>\$ 374,922</u>	<u>\$6,075,377</u>

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 2. Receivables (Continued)

Ideastream is aware it is named as a beneficiary in a number of wills and life insurance policies totaling approximately \$3,539,500 at September 30, 2023 and 2022, respectively. Because a will or life insurance policy can be modified at any time prior to death, Ideastream deems these to be intentions to give and, as such, are not reflected in the financial statements of Ideastream.

Ideastream uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts is based on historical experience, present market conditions and an evaluation of the outstanding receivables at the end of the year. At September 30, 2023 and 2022, the allowance balance was \$33,000 and \$28,944, respectively. Pledges and contributions receivable which have a due date of greater than one year are shown at net present value using a discount rate of one month Bloomberg Short-Term Bank Yield Index ("BSBY") + 1.50% at the date of the contribution.

Note 3. Investments

Investments consisted of the following at September 30:

	<u>2023</u>	<u>2022</u>
Investments at fair value		
Money market funds	\$ 1,360,064	\$ 402,768
Mutual funds	18,243,496	16,287,554
Private equity funds measured at NAV	185,199	57,723
Pooled investment funds:		
Cleveland Foundation Racial Equity Investment Pool	958,621	850,615
Cleveland Foundation Socially Responsible Investment Pool	<u>929,700</u>	<u>824,063</u>
Total investments at fair value	<u><u>\$21,677,080</u></u>	<u><u>\$18,422,723</u></u>
Equity method investments and other		
Investment in OPS Investors, Ltd.	\$ 5,665,762	\$ 6,351,502
Investment in 6600 Broadview, LLC	427,265	473,048
CSV life insurance	<u>54,603</u>	<u>43,786</u>
Total equity method investments and other	<u><u>\$ 6,147,630</u></u>	<u><u>\$ 6,868,336</u></u>

Investment income, excluding activities related to the investment in OPS Investors, Ltd. and 6600 Broadview, LLC, was comprised of the following for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Interest and dividends, net of fees	\$ 539,126	\$ 863,758
Realized and unrealized gains (losses), net	<u>2,059,905</u>	<u>(5,451,568)</u>
	<u><u>\$ 2,599,031</u></u>	<u><u>\$ (4,587,810)</u></u>

Notes to Financial Statements (Continued)

Note 3. Investments (Continued)

Investments at fair value: Investments at fair value consist of marketable investments, securities with maturities of over one year, investments in exchange traded funds, equity securities, mutual funds and money market funds that are recorded at market value, based on quoted market prices.

In 2022, Ideastream invested in a private equity group that holds assets for which there is no active market, generally referred to as "alternative investments." Ideastream relies on the funds' reported net asset value ("NAV") as a practical expedient for the fair value which amounted to \$185,199 and \$57,723 as of September 30, 2023 and 2022, respectively. As such, these investments are excluded from the fair value hierarchy. Information such as historical and current performance of the underlying assets, cash flow projections, liquidity and credit premiums required by a market participant (income approach) and financial trend analysis with respect to the individual fund manager, are utilized in determining individual security valuations. Due to current market conditions as well as the limited trading activity of these securities, the market value of the securities is highly sensitive to assumption changes and market volatility. This includes Ideastream's investments in the private equity funds. The private equity group has over one hundred active Segregated Portfolios along with a General Segregated Portfolio. A new Segregated Portfolio is generally established for each Portfolio Fund investment, is tailored to the individual shareholder's risk/return profile and focuses primarily on long/short equity or multi-faceted event-driven investment strategies, equity and balance sheet arbitrage, special situations investing or other nontraditional investment disciplines. As of September 30, 2023 and 2022, Ideastream held investments in three private equity fund Segregated Portfolios. Redemption policies of each of these funds allow Ideastream to withdraw all or a portion of its capital accounts or redeem certain shares prior to the termination of the fund with the consent of the fund managers and subject to the underlying investment's redemption policy which range from 30 days to fully locked up. Currently, and through the funds' terminations, Ideastream expects to receive periodic distributions from the liquidation of the funds' underlying assets. Unfunded commitments related to these investments were \$814,801 and \$442,277 as of September 30, 2023 and 2022, respectively. Investment commitments will be funded through redistribution of investment funds.

Pooled investment funds: In 2022, Ideastream invested in the pooled funds of the Cleveland Foundation for which the fair value is reported by management based on information provided by the Cleveland Foundation, based upon Ideastream's share of the pool, which amounted to \$1,888,321 and \$1,674,678 as of September 30, 2023 and 2022, respectively. The pooled funds are valued at the net asset value by the Cleveland Foundation and are considered to be Level 2 valuations.

Equity method investments and other: The equity method investments and other which consist of investments in OPS Investors, Ltd. and 6600 Broadview, LLC are approximately 50% interests and are being accounted for on the equity method. Additionally, Ideastream is the owner of a life insurance policy, which is valued at its cash surrender value of \$54,603 and \$43,786 as of September 30, 2023 and 2022, respectively.

In 2005, Ideastream invested in OPS, LLC to partner with Playhouse Square Foundation in the redevelopment and joint occupancy of what is now known as the Idea Center at Playhouse Square ("Idea Center"). In 2017, the interest in OPS, LLC was exchanged for an interest in OPS Investors, Ltd. As of September 30, 2023 and 2022, the equity balance of the investment was \$5,665,762 and \$6,351,502, respectively. In 2009, Ideastream invested in 6600 Broadview, LLC with another local television station, to build, equip and operate a shared broadcasting tower. As of September 30, 2023 and 2022, the equity balance of the investment was \$427,265 and \$473,048, respectively.

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 3. Investments (Continued)

Equity method investments and other (Continued):

As of September 30, the assets, liabilities and net results of operations of OPS Investors, Ltd. and 6600 Broadview, LLC were as follows:

	<u>2023</u>	<u>2022</u>
OPS Investors, Ltd.		
Assets	\$23,071,906	\$23,130,204
Liabilities	11,740,383	10,427,200
Net results of operations	(1,371,480)	(1,563,786)
6600 Broadview, LLC		
Assets	\$ 873,445	\$ 956,303
Liabilities	1,476	9,104
Net results of operations	(173,806)	(149,055)

Note 4. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value as the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are classified into three levels:

Level 1 – Quoted market prices in active markets for identical assets and liabilities

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs in which little or no market data exists

The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Ideastream's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The following tables set forth by level within the fair value hierarchy Ideastream's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of:

	<u>September 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Long-term investments:				
Money market funds		\$ 1,360,064		\$ 1,360,064
Mutual funds	\$18,243,496			18,243,496
Pooled investment funds		1,888,321		1,888,321
	<u>\$18,243,496</u>	<u>\$ 3,248,385</u>	<u>\$ -</u>	21,491,881
Private equity funds measured at NAV				185,199
				<u>\$21,677,080</u>

Ideastream Public Media**Notes to Financial Statements (Continued)****Note 4. Fair Value Measurements (Continued)**

	September 30, 2022			Total
	Level 1	Level 2	Level 3	
Long-term investments:				
Money market funds		\$ 402,768		\$ 402,768
Mutual funds	\$16,287,554			16,287,554
Pooled investment funds		1,674,678		1,674,678
	<u>\$16,287,554</u>	<u>\$ 2,077,446</u>	<u>\$ -</u>	18,365,000
Private equity funds measured at NAV				<u>57,723</u>
				<u>\$18,422,723</u>

Money market funds: Money market funds consist of investments in various bank money market funds which are valued at \$1 per share, as quoted by the fund managers, and are classified as Level 2.

Mutual funds: Mutual funds represent investments in publicly traded mutual funds and exchange traded funds which focus on a variety of industries and strategies, which are valued using quoted prices in active markets, and are classified as Level 1.

Refer to Note 3 for details regarding NAV and pooled investment funds classification.

Note 5. Net Assets

Ideastream's governing board has designated, from net assets without donor restrictions, net assets for the following purposes as of September 30:

	<u>2023</u>	<u>2022</u>
Board-designated endowment, including accumulated earnings	\$20,032,005	\$16,891,871
Operations of Ohio Governmental Telecommunications	1,632,968	1,488,522
Operations of Statehouse News Bureau	<u>506,947</u>	<u>492,702</u>
	<u>\$22,171,920</u>	<u>\$18,873,095</u>

Ideastream Public Media**Notes to Financial Statements (Continued)****Note 5. Net Assets (Continued)**

Net assets with donor restrictions were as follows as of September 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Local production support	\$ 1,122,969	\$ 1,637,387
Broadcast support and program acquisition	552,806	377,344
Education programs	330,141	272,026
Other	109,592	680,856
	<u>2,115,508</u>	<u>2,967,613</u>
Subject to the passage of time:		
For periods after September 30, 2023 and 2022	2,524,894	2,292,121
Subject to Ideastream's spending policy and appropriation:		
Investment in perpetuity (including amounts above original gift amount of \$1,226,414), which, once appropriated, is expendable to support:		
Program acquisition, production, development and general operations	961,832	882,117
General operations	468,535	337,990
	<u>1,430,367</u>	<u>1,220,107</u>
Total net assets with donor restrictions	<u>\$ 6,070,769</u>	<u>\$ 6,479,841</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished:		
Local production support	\$ 1,949,745	\$ 1,854,211
Broadcast support and program acquisition	563,329	998,731
Campaign for Community	-	30,889
Education programs	411,903	378,998
Other	620,556	684,612
	<u>3,545,533</u>	<u>3,947,441</u>
Time restrictions expired:		
Passage of specified time	6,044,757	5,589,262
Release of appropriated endowment amounts without purpose restrictions	17,173	8,052
Release of appropriated endowment amounts with purpose restrictions	<u>44,820</u>	<u>324,596</u>
Total restrictions released	<u>\$ 9,652,283</u>	<u>\$ 9,869,351</u>

Notes to Financial Statements (Continued)

Note 6. Endowment Funds

Ideastream's endowment consists of eight individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law: Ideastream's interpretation of The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") is as follows:

The portion of a donor-restricted endowment fund that Ideastream classifies in net assets with donor restrictions is the original gift value plus the value of subsequent gifts to the endowment. It is not reduced by losses on the investments, except to the extent required by the donor, or by appropriations from the endowment fund. The accumulated portion of a donor-restricted fund is considered to be with donor restrictions until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Ideastream uses the following criteria, per UPMIFA and the Ohio Revised Code, to determine whether to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of Ideastream and the donor-restricted fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The total return from income and appreciation of investments
6. Other resources of Ideastream
7. The investment policies of Ideastream

Investment return objectives and risk parameters: Ideastream has adopted investment and spending policies, approved by the Board of Trustees, that aim to provide a predictable source of funding to meet the Board approved spending policy and to increase the value of the invested funds to ensure that future needs can be met.

Strategies to achieve investment objectives: Ideastream targets a diversified asset allocation with a focus on equity investments as the allocation to equities will be the driver for growth.

Spending policy and how the investment objectives related to the spending policy: The Board approved spending policy allows for Ideastream to transfer up to 5%, annually, of the rolling 12-quarter average market value of the endowment funds, which will be used for operations in order to allow for long-term growth of funds.

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Ideastream to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occur after the investment of new contributions restricted in perpetuity have been received. No such deficiencies existed in Ideastream's endowment funds as of September 30, 2023 and 2022.

Ideastream Public Media**Notes to Financial Statements (Continued)****Note 6. Endowment Funds (Continued)**

Endowment asset composition by type of fund at September 30:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds:			
"In memorium" and estate gifts fund	\$ 4,354,656		\$ 4,354,656
Capital and operating fund	11,000,000		11,000,000
Donor-restricted endowment funds:			
Original donor-restricted gift amounts required to be maintained in perpetuity by donor		\$ 1,226,414	1,226,414
Accumulated investment gains	4,677,349	203,953	4,881,302
	<u>\$20,032,005</u>	<u>\$ 1,430,367</u>	<u>\$21,462,372</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds:			
"In memorium" and estate gifts fund	\$ 2,780,848		\$ 2,780,848
Capital and operating fund	11,000,000		11,000,000
Donor-restricted endowment funds:			
Original donor-restricted gift amounts required to be maintained in perpetuity by donor		\$ 1,126,414	1,126,414
Accumulated investment gains	3,111,023	93,693	3,204,716
	<u>\$16,891,871</u>	<u>\$ 1,220,107</u>	<u>\$18,111,978</u>

The board-designated endowment funds were established by the Board of Trustees to support current and future operations and capital needs of Ideastream. Although Ideastream does not intend to spend from these board-designated endowment funds (other than the amounts appropriated for general expenditure per the spending policy), these amounts could be made available if necessary.

Ideastream Public Media**Notes to Financial Statements (Continued)****Note 6. Endowment Funds (Continued)**

Changes in endowment assets for the year ended September 30:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, beginning of year	\$16,891,871	\$ 1,220,107	\$18,111,978
Donor-restricted endowment gifts		100,000	100,000
Investment return, net	2,402,482	172,254	2,574,736
Appropriation of endowment assets for expenditure	(836,157)	(61,994)	(898,151)
Other changes:			
Transfers to board-designated endowment funds	1,573,809		1,573,809
Endowment assets, end of year	<u>\$20,032,005</u>	<u>\$ 1,430,367</u>	<u>\$21,462,372</u>

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, beginning of year	\$21,237,046	\$ 1,891,107	\$23,128,153
Investment return, net	(4,202,751)	(338,351)	(4,541,102)
Appropriation of endowment assets for expenditure	(387,860)	(332,649)	(720,509)
Other changes:			
Transfers to board-designated endowment funds	245,436		245,436
Endowment assets, end of year	<u>\$16,891,871</u>	<u>\$ 1,220,107</u>	<u>\$18,111,978</u>

Note 7. Retirement Plan

Ideastream sponsors a retirement plan under Section 403(b) of the Internal Revenue Code through the Teachers Insurance and Annuity Association-College Retirement Equities Fund. The Plan is a defined contribution plan, which permits participant contributions and covers all full-time employees of Ideastream meeting certain eligibility requirements. Ideastream matches employees' contributions to the Plan up to 5% of their compensation. Ideastream's contribution to the Plan was \$464,511 and \$452,423 for the years ended September 30, 2023 and 2022, respectively.

Note 8. Line of Credit

Ideastream has available a line of credit with a local financial institution, which expires in April 2024. The line of credit is secured by certain investments of Ideastream and allows for maximum borrowings of \$2,500,000. The agreement provides that interest will be charged on the outstanding balance at a rate of the one-month BSBY plus 1.50%. At September 30, 2023 and 2022, there was no outstanding balance on the line of credit.

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 9. Operating Leases

Ideastream has an operating lease with OPS Investors, Ltd. to lease space in the Idea Center. The lease expires on October 31, 2030, carries one additional five-year renewal option, and requires a monthly base rent payment of \$37,504 plus a pro-rata share of operating costs determined annually. Ideastream also has multiple operating leases for tower sites with various expiration dates through September 2026, calling for payments ranging from \$150 to \$3,845.

The following table displays the undiscounted cash flows related to operating leases as of September 30, 2023, along with a reconciliation to the discounted amount recorded on the statement of financial position. Minimum lease payments under non-cancellable leases due within the years ended September 30 were as follows:

2024	\$ 502,510
2025	504,326
2026	477,914
2027	455,850
2028	454,313
Thereafter	<u>3,212,430</u>
Total undiscounted cash flows	5,607,343
Impact of present value discount	<u>(1,131,849)</u>
Total operating lease liabilities	<u>\$ 4,475,494</u>

Lease expense from all arrangements was approximately \$715,000 and \$723,000 for the years ended September 30, 2023 and 2022, respectively. For the year ended September 30, 2023, operating lease expense was approximately \$503,000, and variable and short-term lease expense was approximately \$212,000. Cash paid against the lease liability under these arrangements was \$316,383 for the year ended September 30, 2023, and is included in operating cash flows.

As of September 30, 2023, the weighted-average remaining lease term for all operating leases is 11.8 years. Because Ideastream generally does not have access to the rate implicit in the lease, Ideastream utilizes the risk-free rate as the discount rate. The weighted-average discount rate associated with operating leases as of September 30, 2023 is 4.0%.

Note 10. Spectrum Lease Revenue

During 2007, Ideastream entered into agreements to allow two different telecommunications organizations access to excess capacity on educational broadband spectrum licensed to Ideastream by the FCC. Under the agreements, the telecommunications organizations made an initial payment with additional payments to be made for the next 21 years, with incremental increases every five years. Future minimum payments expected to be received over the next five years will be approximately \$11,165,480.

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 11. Property, Plant and Equipment

Property, plant and equipment consists of the following at September 30:

	<u>2023</u>	<u>2022</u>
Broadcast and production equipment	\$ 11,011,821	\$ 16,055,234
Office equipment and fixtures	1,815,699	2,408,464
Leasehold improvements	823,856	795,194
Vehicles	-	82,908
Software	-	54,717
Art	24,200	24,200
Capital projects in progress	671,739	196,047
	<u>14,347,315</u>	<u>19,616,764</u>
Less accumulated depreciation	<u>(9,318,295)</u>	<u>(14,935,407)</u>
Property, plant and equipment, net	<u>\$ 5,029,020</u>	<u>\$ 4,681,357</u>

Ideastream obtained funding from the state of Ohio for Ohio Government Telecommunications Service ("OGT") which enables Ideastream to purchase property and equipment; however, Ideastream does not own the equipment. As long as the equipment is used in accordance with the grant, Ideastream is able to continue to use the property and equipment. For the years ended September 30, 2023 and 2022, Ideastream utilized property and equipment from OGT with a cost of \$261,064 and 449,342, respectively.

Note 12. Financing Leases

Ideastream leases certain equipment and vehicles under agreements that are classified as financing leases. At September 30, 2023 and 2022, the cost of equipment under financing leases is \$243,728 and \$175,441, respectively. Amortization of assets under financing leases is included in depreciation expense and amounted to \$39,461 and \$7,050 for the years ended September 30, 2023 and 2022, respectively. The future minimum lease payments required under the finance leases and the present value of the net minimum lease payments at September 30, 2023 are as follows:

2024	\$ 51,743
2025	33,856
2026	28,860
2027	23,122
2028	<u>9,956</u>
Total minimum lease payments	147,537
Less: amounts representing maintenance and interest	<u>(13,069)</u>
Present value of lease payments	<u>\$ 134,468</u>

As of September 30, 2023, the weighted-average remaining lease term for all finance leases is 3.6 years, and the weighted-average discount rate associated with finance leases is 3.9%.

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 13. Liquidity and Availability

Ideastream regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Ideastream considers all expenditures related to its ongoing activities of program services and development as well as the conduct of services undertaken to support those activities to be general expenditures. The following table shows financial assets held by Ideastream reduced by the amounts unavailable to meet general expenditures due to contractual or donor restrictions:

	<u>2023</u>	<u>2022</u>
Financial assets as of September 30:		
Cash and cash equivalents	\$ 1,001,525	\$ 2,442,483
Accounts and contributions receivable, net	5,615,164	6,075,377
Investments at fair value	<u>21,677,080</u>	<u>18,422,723</u>
Total financial assets	28,293,769	26,940,583
Less amounts not available within one year for general expenditures:		
Endowment corpus, restricted in perpetuity	(1,226,414)	(1,126,414)
Endowment earnings	(203,953)	(93,693)
Board-designated endowment funds, net of estimated appropriation for next 12 months (\$922,386 and \$898,151 for 2024 and 2023, respectively)	(19,109,619)	(15,993,720)
Net assets restricted by donor for either purpose or time, net of estimated releases for next 12 months (\$4,610,000 and \$5,220,000 for 2023 and 2022, respectively)	<u>(30,402)</u>	<u>(39,734)</u>
Total financial assets available for general expenditures over next 12 months	<u>\$ 7,723,381</u>	<u>\$ 9,687,022</u>

Ideastream anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identifies the sources and uses of Ideastream's cash for the fiscal years ended September 30, 2023 and 2022.

Ideastream's governing board has designated a portion of its unrestricted resources for endowment and other purposes. Those amounts are identified as board-designated in the table above. The board-designated endowment is subject to an annual maximum spending rate of 5% as described in Note 6. Although Ideastream does not intend to spend from this board-designated endowment (other than the amounts appropriated for general expenditure per the spending policy), these amounts could be made available if necessary.

Ideastream also has a line of credit available to meet short-term needs. See Note 8 for information about this arrangement.

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 14. Collaborative Arrangement

In October 2021, Ideastream entered into a Program Service Operating Agreement ("PSOA") with Kent State University ("KSU") for the operation of the WKSU-FM network of frequencies. Ideastream assumed responsibility for the operation of the station and repeater signals, while KSU remained the licensee. Ideastream and KSU also executed a Memorandum of Understanding, which sets forth the administrative understandings of Ideastream and KSU during the term of the PSOA, including certain expenses related to the operation and maintenance of transmission assets for which Ideastream must reimburse KSU. The PSOA is effective for 10 years through September 2031 and automatically extends for two 5 year terms unless Ideastream or KSU provides written notice to the other at least 18 months prior to the conclusion of the then-current term. During the years ended September 30, 2023 and 2022, Ideastream recognized the following revenue and expense, included in the statements of activities, related to the operation of WKSU-FM:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support:			
Contributed revenue:			
Individual support	\$ 4,642,697	\$ 96,435	\$ 4,739,132
Foundation and corporate support	143,091	339,914	483,005
Underwriting	2,021,061		2,021,061
Government and other public media support	97,293	683,299	780,592
In-kind contributions	311,899		311,899
Earned revenue:			
Other earned revenue	53,954		53,954
Investment return appropriated for operations	266,863	2,451	269,314
Net assets released from restrictions	1,275,880	(1,275,880)	-
Total operating revenues and support	8,812,738	(153,781)	8,658,957
Total operating expenses	8,999,986		8,999,986
Change in net assets from operating activities	(187,248)	(153,781)	(341,029)
Non-operating activities:			
Investment return, net of return appropriated for operations	970,912	8,711	979,623
Total change in net assets	\$ 783,664	\$ (145,070)	\$ 638,594

Ideastream Public Media

Notes to Financial Statements (Continued)

Note 14. Collaborative Arrangement (Continued)

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support:			
Contributed revenue:			
Individual support	\$ 4,872,489	\$ 60,000	\$ 4,932,489
Foundation and corporate support	142,509	159,525	302,034
Underwriting	1,349,586		1,349,586
Government and other public media support	127,027	1,108,260	1,235,287
In-kind contributions	122,107		122,107
Net assets released from restrictions	1,336,937	(1,336,937)	-
Total operating revenues and support	7,950,655	(9,152)	7,941,503
Total operating expenses	8,280,346		8,280,346
Change in net assets from operating activities	\$ (329,691)	\$ (9,152)	\$ (338,843)