

Public Radio East Foundation
(A Component Unit of Craven Community College)
New Bern, North Carolina

Financial Statements and
Independent Auditor's Report

Years Ended June 30, 2024 and 2023

Public Radio East Foundation
(A Component Unit of Craven Community College)
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June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Management of Public Radio East Foundation and
The Board of Trustees of Craven Community College
New Bern, North Carolina

Opinion

We have audited the accompanying financial statements of Public Radio East Foundation, a component unit of Craven Community College, which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Radio East Foundation as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.. 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 Public Radio East Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Public Radio East Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Public Radio East Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Public Radio East Foundation's ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report of Prior Year Information

Other auditors previously audited Public Radio East Foundation's 2023 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated May 9, 2024. In our opinion, the information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sharpe Patel PLLC

Raleigh, North Carolina
April 21, 2025

Management's Discussion and Analysis

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis
June 30, 2024 and 2023

The information in this section is intended to provide a general overview of Public Radio East Foundation (the "Foundation"), a component unit of Craven Community College's financial statements and is based upon the information contained in the financial statements accompanying this discussion and analysis. The user is encouraged to reference the appropriate section of the financial statements for the supporting detailed information.

Overview of the Financial Statements

The Foundation's discussion and analysis (MD&A) provides an overview of the Foundation's financial performance during the fiscal year ended June 30, 2024, based on currently known facts and conditions; and is designed to assist readers in understanding the accompanying financial statements. The MD&A, financial statements and notes are the responsibility of the Foundation's management. Since the MD&A is designed to focus on current activities, resulting change, and currently known facts, it should be read in conjunction with the Foundation's financial statements and the related footnote disclosures.

Basic Financial Statements

The basic financial statements present information for the Foundation as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows.

The Statements of Net Position presents information on all the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position reports the Foundation's results of operation for the fiscal year. It presents the revenues earned by the Foundation and the expenses incurred by the Foundation, both operating and nonoperating, and any other revenues, expenses, gains, and losses. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The Statements of Cash Flows provides information regarding the Foundation's cash receipts and cash payments during the reported period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. The statement reconciles the beginning cash as of July 1, 2023, to the ending cash as of June 30, 2024. The statement also includes comparative information.

The Notes to Financial Statements provide additional information that is essential to a complete understanding of the data provided in the basic financial statements.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2024 and 2023

Condensed Statements of Net Position

The Statements of Net Position presents the assets (current and noncurrent), liabilities (current and noncurrent), and net position (total assets minus total liabilities) of the Foundation. This statement provides a fiscal snapshot of the Foundation's financial position as of June 30, 2024 and 2023.

Condensed Statements of Net Position

| | 2024 | 2023 | Increase (Decrease) |
|---------------------------|----------------------------|----------------------------|--------------------------------|
| ASSETS | | | |
| Current assets | \$207,005.94 | \$195,097.09 | \$ 11,908.85 |
| Noncurrent Assets | 24,570.00 | - | 24,570.00 |
| Total assets | <u>231,575.94</u> | <u>195,097.09</u> | <u>36,478.85</u> |
| LIABILITIES | | | |
| Current liabilities | 807.75 | - | 807.75 |
| Total liabilities | <u>807.75</u> | <u>-</u> | <u>807.75</u> |
| NET POSITION | | | |
| Unrestricted | <u>230,768.19</u> | <u>195,097.09</u> | <u>35,671.10</u> |
| Total net position | <u><u>\$230,768.19</u></u> | <u><u>\$195,097.09</u></u> | <u><u>\$ 35,671.10</u></u> |

Notable changes in the Condensed Statements of Net Position include:

- Total assets increased by \$36,478.85. Current assets increased by \$11,908.85 primarily due to an increase in current receivables as result of a change in grant recognition. Additional details on current receivables can be found in Note 5. Noncurrent assets increased by \$24,570.00, primarily due to an increase in restricted cash and cash equivalents, which was a result of unspent grant funds. These increases also resulted in an overall increase to net position.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position reports the activity of the Foundation during the year and is subdivided into two major components: operating revenues and operating expenses. Revenues are reported by major source.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

| | 2024 | 2023 | Increase (Decrease) |
|--|----------------------|----------------------|--------------------------------|
| REVENUES | | | |
| Operating revenues: | | | |
| Contributions and grants | \$ 848,087.39 | \$ 660,176.54 | \$ 187,910.85 |
| Interest income | 3,342.72 | 1,670.89 | 1,671.83 |
| Other income | 42,100.31 | 35,831.44 | 6,268.87 |
| Total operating revenues | 893,530.42 | 697,678.87 | 195,851.55 |
| EXPENSES | | | |
| Operating expenses: | | | |
| Payments and direct support to PRE | 812,303.16 | 624,574.52 | 187,728.64 |
| Advertising, marketing, promotion, postage, and contract services | 38,090.38 | 37,072.07 | 1,018.31 |
| Legal and accounting | 7,000.00 | 5,505.00 | 1,495.00 |
| Computer software & maintenance | 9,924.03 | 10,099.00 | (174.97) |
| Electronic processing fees | 12,813.54 | 12,914.78 | (101.24) |
| Office expenses and travel | 7,728.21 | 5,575.79 | 2,152.42 |
| Total operating expenses | 887,859.32 | 695,741.16 | 192,118.16 |
| Change in net position | 5,671.10 | 1,937.71 | 3,733.39 |
| NET POSITION | | | |
| Net position, July 1 | 195,097.09 | 193,159.38 | 1,937.71 |
| Restatement | 30,000.00 | - | 30,000.00 |
| Net position, as restated, July 1 | 225,097.09 | 193,159.38 | 31,937.71 |
| Net position, June 30 | \$ 230,768.19 | \$ 195,097.09 | \$ 35,671.10 |

Notable changes in the Statements of Revenues, Expenses, and Changes in Net Position include:

- Total operating revenues increased by \$195,851.55. This was primarily the result of the increase to contributions and grants of \$187,901.85 due to several large, one time gifts received from donors.
- Total operating expenses increased by \$192,118.16. This was primarily due to the increase in payments and direct support to PRE in direct correlation to the increase in contributions and grants.
- Net position increased by \$35,671.10 primarily due to a restatement of net position for FY2023. See Note 11 for additional details on the restatement.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2024 and 2023

Economic Forecast

Public Radio East Foundation is a 501(c)(3) and was formed to support the operations of PRE.

Membership revenue in FY24 was up from FY23 with a total of \$807,287.39, reflecting an overall increase of \$182,110.85 or 29%. We are budgeting \$728,889 in expected membership receipts during FY25. While this amount is less than the actual revenues received in FY24, it reflects a 4.5% increase from the originally budgeted membership receipts. This figure was determined by estimating conservative membership growth in expected revenues, while also adjusting for several large one-time gifts received in FY24.

Payments received from sustaining members whose donations are made automatically each month have remained consistent. They now account for more than \$21,000 in donations each month. We expect this number to increase with continuing efforts to recruit more sustainers.

Listenership continues to improve for our news and information programming. Classical listening trends are consistent with what they have been since format changes were made back in FY19. Audience tracking has been made more difficult due to the exit of the Nielsen ratings company from our media market.

Public Radio East experienced some financial difficulties over the last several years and needed corrective measures put in place. With the current administrative teams in place – both at PRE and at Craven Community College – we feel that the necessary corrective measures have been enacted and that Public Radio East is now on the right track.

Contacting the College's Financial Management

Our financial statements are designed to provide the citizens of North Carolina with a general overview of the PRE's finances and show accountability of all funds received. Questions concerning any of the information found in this report or requests for additional information should be directed to Christine Sachs, Executive Director of Financial Services, Craven Community College, 800 College Court, New Bern, NC 28562.

Basic Financial Statements

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statements of Net Position
June 30, 2024 and 2023

Exhibit A-1

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Beneficial interests in assets held | | |
| by Craven Community College | \$ 78,096.99 | \$ 74,754.27 |
| Restricted cash & cash equivalents | 24,570.00 | - |
| Pledges receivable, net | 109,823.28 | 111,257.12 |
| Grant receivable | 10,000.00 | - |
| Prepaid items | 9,085.67 | 9,085.70 |
| Total current assets | <u>231,575.94</u> | <u>195,097.09</u> |
| Total assets | <u>231,575.94</u> | <u>195,097.09</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | <u>807.75</u> | <u>-</u> |
| Total current liabilities | <u>807.75</u> | <u>-</u> |
| Total liabilities | <u>807.75</u> | <u>-</u> |
| NET POSITION | | |
| Unrestricted | <u>230,768.19</u> | <u>195,097.09</u> |
| Total net position | <u>\$ 230,768.19</u> | <u>\$ 195,097.09</u> |

The notes to the financial statements are an integral part of this statement.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024 and 2023

Exhibit A-2

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| REVENUES | | |
| Operating revenues: | | |
| Contributions and grants | \$ 848,087.39 | \$ 660,176.54 |
| Interest income | 3,342.72 | 1,670.89 |
| Other income | 42,100.31 | 35,831.44 |
| Total operating revenues | <u>893,530.42</u> | <u>697,678.87</u> |
| EXPENSES | | |
| Operating expenses: | | |
| Payments and direct support to PRE | 812,303.16 | 624,574.52 |
| Advertising, marketing, promotion, postage, and contract services | 38,090.38 | 37,072.07 |
| Legal and accounting | 7,000.00 | 5,505.00 |
| Computer software & maintenance | 9,924.03 | 10,099.00 |
| Electronic processing fees | 12,813.54 | 12,914.78 |
| Offices expenses and travel | 7,728.21 | 5,575.79 |
| Total operating expenses | <u>887,859.32</u> | <u>695,741.16</u> |
| Change in net position | 5,671.10 | 1,937.71 |
| NET POSITION | | |
| Net position, July 1 | 195,097.09 | 193,159.38 |
| Restatement | 30,000.00 | - |
| Net position, as restated, July 1 | <u>225,097.09</u> | <u>193,159.38</u> |
| Net position, June 30 | <u>\$ 230,768.19</u> | <u>\$ 195,097.09</u> |

The notes to the financial statements are an integral part of this statement.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

Exhibit A-3
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| | <u>2024</u> | <u>2023</u> |
|---|-----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash paid to vendors and suppliers | \$ (74,748.38) | \$ (71,166.64) |
| Payments and direct support to PRE | <u>(812,303.16)</u> | <u>(624,574.52)</u> |
| Net cash used by operating activities | <u>(887,051.54)</u> | <u>(695,741.16)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Noncapital grants received | 21,433.84 | (266.82) |
| Noncapital gifts and endowments received | <u>890,187.70</u> | <u>696,007.98</u> |
| Net cash provided by financing activities | <u>911,621.54</u> | <u>695,741.16</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest earnings | <u>3,342.72</u> | <u>1,670.89</u> |
| Net cash provided by investing activities | <u>3,342.72</u> | <u>1,670.89</u> |
| Net increase (decrease) in cash and cash equivalents | 27,912.72 | 1,670.89 |
| Cash and cash equivalents, beginning of year | <u>74,754.27</u> | <u>73,083.38</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 102,666.99</u></u> | <u><u>\$ 74,754.27</u></u> |

The notes to the financial statements are an integral part of this statement.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statements of Cash Flows (continued)
Years Ended June 30, 2024 and 2023

Exhibit A-3
Page 2 of 2

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------------|----------------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | | |
| Operating income (loss) | <u>\$ 2,328.38</u> | <u>\$ 1,937.71</u> |
| Adjustments to reconcile operating loss to net cash used by operating activities - | | |
| Changes in assets and liabilities: | | |
| (Increase) Decrease in pledges receivable | - | (266.82) |
| Increase (Decrease) in accounts payable | 807.75 | - |
| Increase (Decrease) in prepaid items | <u>0.03</u> | <u>-</u> |
| Net cash provided by (used for) operating activities | <u><u>3,136.16</u></u> | <u><u>1,670.89</u></u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS | | |
| Current assets: | | |
| Cash and cash equivalents | 78,096.99 | 74,754.27 |
| Restricted cash and cash equivalents | <u>24,570.00</u> | <u>-</u> |
| Total cash and cash equivalents | <u><u>\$ 102,666.99</u></u> | <u><u>\$ 74,754.27</u></u> |

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements
June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Foundation was formed to receive charitable contributions and grants which are to be used exclusively for support of Public Radio East (“PRE”). PRE is owned and operated by Craven Community College (the “College”), which is part of the North Carolina Community College System.

In support of PRE, the Foundation engages in the following activities:

1. Participates in membership drives for dues and contributions to support efforts to benefit PRE.
2. Organizes major giving campaigns that encourage individual contributions to the Foundation.
3. Promotes PRE throughout Eastern North Carolina and makes financial distributions to the College for the benefit of PRE.
4. Pays funds directly to third parties for authorized expenditures for the benefit of PRE.

The Board of Directors of the Foundation is determined by the Board of Trustees of the College. The Foundation’s board consists of not less than 15 nor more than 25 directors. The Foundation’s assets and operations are included in the financial statements of the College as a controlled entity. The College provides administrative, accounting, and payroll services for the Foundation.

B. Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities*, the full scope of the Foundation’s activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

C. Basis of Accounting

The financial statements of the Foundation have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which the Foundation receives (or gives) value without directly giving (or receiving) equal value in exchange, include both monetary and in-kind donor contributions. Revenue is recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

The Foundation uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

D. Cash and Cash Equivalents

The Foundation considers all highly liquid assets with a maturity of three months or less to be cash equivalents. For financial statement purposes, “cash equivalents” are carried as “Beneficial interest in assets held by Craven Community College”. The Foundation does not have a separate bank account. PRE Foundation’s cash is “dedicated” with the College’s cash and assigned a percentage of participation based on amounts held.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2024 and 2023

E. Receivables

Receivables consist of pledges and grants that are verifiable, measurable, and expected to be collected and available for expenditures. Reported receivables are expected to be collected.

F. Restricted Assets

Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted or designated for the acquisition or construction of capital assets and resources whose use is limited by external parties or statutes.

G. Net Position

The Foundation's net positions are classified as follows:

Restricted Net Position - The component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation.

Unrestricted Net Position - Unrestricted net position includes resources derived from contributions, grants, the board designated quasi-endowment, and interest income.

Restricted and unrestricted are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the Foundation.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Donated Materials and Services

The Foundation operates within facilities of the College and receives substantial administrative support from the College and its employees. The College does not charge the Foundation for such services. The value of donated services and facilities is not included in the accompanying financial statements since there is no objective basis available by which to measure the value of such services.

J. Advertising Costs

Advertising costs are expensed in the period in which they are incurred.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2024 and 2023

NOTE 2 – DEPOSITS

All funds of the Foundation are deposited in College board designated official depositories and are required to be collateralized in accordance with North Carolina General Statute 115D 58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina. The amount shown on the Statements of Net Position as cash and cash equivalents includes deposits in private financial institutions with a carrying amount of \$78,096.99 and bank balance of \$80,849.44 at June 30, 2024. The amount shown on the Statements of Net Position as cash and cash equivalents includes deposits in private financial institutions with a carrying amount of \$74,754.27 and bank balance of \$75,480.30 at June 30, 2023. The North Carolina Administrative Code (20 NCAC 7) requires all depositories to collateralize public deposits in excess of federal depository insurance coverage by using one of two methods, dedicated or pooled. Under the dedicated method, a separate escrow account is established by each depository in the name of each local governmental unit and the responsibility of monitoring collateralization rests with the local unit. Under the pooling method, each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This method shifts the monitoring responsibility from the local unit to the State Treasurer. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2024 and 2023, the College's bank balance in excess of federal depository insurance coverage was covered under the pooling method. Details of dedicated cash held by Craven Community College at June 30, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Public Radio East Foundation accounts | 78,096.99 | 74,754.27 |
| Total cash and cash equivalents | \$ 78,096.99 | \$ 74,754.27 |

NOTE 3 – DISTRIBUTIONS TO PUBLIC RADIO EAST

The Foundation distributes funds to PRE on a monthly basis. The PRE General Manager and Treasurer of the Foundation are responsible for determining that PRE's requests are appropriate and that they are recorded to the proper fund accounts of the College. During the years ended June 30, 2024 and 2023, the Foundation distributed funds to PRE totaling \$812,303.16 and \$624,574.52, respectively.

NOTE 4 – QUASI-ENDOWMENT

The Foundation's quasi-endowment consists of funds designated by the Board of Directors to function as an endowment and are invested in the College's STIF Account. There are no donor restrictions imposed on the endowment. Changes in endowment net position for the years ended June 30, 2024 and 2023 were as follows:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Endowment net assets at beginning of year | \$ 74,754.27 | \$ 73,083.38 |
| Investment income | 3,342.72 | 1,670.89 |
| Endowment net assets at end of year | \$ 78,096.99 | \$ 74,754.27 |

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2024 and 2023

NOTE 5 – RECEIVABLES

A summary of allowances by receivable classification at June 30, 2024 and 2023, were as follows:

| | June 30, 2024 | | |
|----------------------------------|----------------------|-----------------------|----------------------|
| | Less | | |
| | Allowance | | |
| | Gross | For Doubtful | Net |
| | Receivables | Accounts | Receivables |
| Current receivables: | | | |
| Pledges from media fund drives | \$ 146,099.82 | \$ (36,276.54) | \$ 109,823.28 |
| Total current receivables | \$ 146,099.82 | \$ (36,276.54) | \$ 109,823.28 |
| | | | |
| | June 30, 2023 | | |
| | Less | | |
| | Allowance | | |
| | Gross | For Doubtful | Net |
| | Receivables | Accounts | Receivables |
| Current receivables: | | | |
| Pledges from media fund drives | \$ 153,216.94 | \$ (32,874.12) | \$ 120,342.82 |
| Total current receivables | \$ 153,216.94 | \$ (32,874.12) | \$ 120,342.82 |

NOTE 6 – RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and natural disasters. These exposures to loss are managed through Craven Community College via a combination of methods, including participation in various risk pools administered by the State of North Carolina, and the purchase of commercial insurance and self-retention of certain risks.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Foundation, PRE, and the College have common facilities and employees.

During the years ended June 30, 2024 and 2023, members of the Craven Community College Board of Trustees made contributions to the Foundation totaling \$150 and \$150, respectively.

NOTE 8 – INCOME TAXES

The Foundation is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2024 and 2023

NOTE 9 – CHANGES IN FINANCIAL ACCOUNT AND REPORTING

For the fiscal year ended June 30, 2024, the Foundation implemented the following pronouncement issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity, and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for each type of accounting change and error corrections, and requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information.

For the year ended June 30, 2024, the Foundation implemented a change in the method of revenue recognition for grants received from the Harold H. Bate Foundation. This change follows a recommendation from the Foundation's independent auditors and is in accordance with current GAAP and GASB guidance. This change resulted in a net position restatement, as detailed in Note 11.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 14th, 2025, the date on which the financials were available to be issued.

NOTE 11 – NET POSITION RESTATEMENT

As of July 1, 2023, net position as previously reported was restated as follows:

| | <u>Amount</u> |
|--|------------------------------------|
| July 1, 2023 Net Position as Previously Reported | \$ 195,097.09 |
| Restatements: | |
| Change in Revenue Recognition for Grants | <u>30,000.00</u> |
| July 1, 2023 Net Position as Restated | <u><u>\$ 225,097.09</u></u> |