

THE KBOO FOUNDATION

FINANCIAL STATEMENTS

Year Ended September 30, 2024



KERN ▲ THOMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

**THE KBOO FOUNDATION**  
**FINANCIAL STATEMENTS**  
**Year Ended September 30, 2024**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The KBOO Foundation  
Portland, Oregon

### ***Opinion***

We have audited the accompanying financial statements of The KBOO Foundation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The KBOO Foundation as of September 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The KBOO 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 The KBOO 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 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, including omissions, 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.

To the Board of Directors  
The KBOO Foundation

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

***Report on Summarized Comparative Information***

We have previously audited The KBOO Foundation's 2023 financial statements, and we expressed a qualified opinion on those audited financial statements in our report dated May 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon  
April 7, 2025

**THE KBOO FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**

**September 30, 2024**  
(With Comparative Totals as of September 30, 2023)

**ASSETS**

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 331,389	\$ 442,610
Investments - certificates of deposit	260,064	504,821
Contributions receivable	-	28,005
Accounts receivable	3,277	2,400
Prepaid expenses	33,467	27,046
Property and equipment - net	221,476	241,044
Beneficial interest in assets held by others	290,576	260,246
Right of use lease asset	259,399	324,451
<b>Total assets</b>	<b>\$ 1,399,648</b>	<b>\$ 1,830,623</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 66,755	\$ 79,684
Accrued payroll and related liabilities	103,178	69,612
Right of use lease liability	259,399	324,451
<b>Total liabilities</b>	<b>429,332</b>	<b>473,747</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	278,841	729,723
Board designated for operating reserve	310,000	270,000
Board designated endowment funds	290,576	260,246
Board designated capital fund	24,757	25,978
Total without donor restrictions	904,174	1,285,947
With donor restrictions	66,142	70,929
<b>Total net assets</b>	<b>970,316</b>	<b>1,356,876</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,399,648</b>	<b>\$ 1,830,623</b>

See notes to financial statements.

**THE KBOO FOUNDATION**

**STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2024**

(With Comparative Totals for the Year Ended September 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
<b>Revenues, gains, and other support</b>				
Membership subscriptions	\$ 633,221	\$ -	\$ 633,221	\$ 554,327
Grants and contributions	79,275	16,064	95,339	322,151
Contributions of non-financial assets	96,832	-	96,832	91,748
Underwriting and advertising	13,240	-	13,240	9,949
Lease income	5,088	-	5,088	11,450
Investment return (loss)	64,683	-	64,683	29,633
Other income	6,380	-	6,380	28,959
	898,719	16,064	914,783	1,048,217
Net assets released from restrictions	20,851	(20,851)	-	-
	<b>919,570</b>	<b>(4,787)</b>	<b>914,783</b>	<b>1,048,217</b>
<b>Expenses</b>				
Program services	981,200	-	981,200	865,565
Supporting services:				
Administration	35,251	-	35,251	35,278
Fundraising	284,892	-	284,892	178,519
<b>Total expenses</b>	<b>1,301,343</b>	<b>-</b>	<b>1,301,343</b>	<b>1,079,362</b>
<b>Change in net assets</b>	<b>(381,773)</b>	<b>(4,787)</b>	<b>(386,560)</b>	<b>(31,145)</b>
Net assets, beginning of year	1,285,947	70,929	1,356,876	1,388,021
<b>Net assets, end of year</b>	<b>\$ 904,174</b>	<b>\$ 66,142</b>	<b>\$ 970,316</b>	<b>\$ 1,356,876</b>

See notes to financial statements.

**THE KBOO FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended September 30, 2024**

(With Comparative Totals for the Year Ended September 30, 2023)

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>		<b>Total</b>	
		<b>Management and General</b>	<b>Fundraising</b>	<b>2024</b>	<b>2023</b>
Salaries and related expenses	\$ 575,739	\$ 22,341	\$ 204,967	\$ 803,047	\$ 560,603
Professional fees	71,312	2,619	17,642	91,573	101,111
Equipment purchases	8,939	123	1,057	10,119	8,684
Utilities, telephone, and internet	45,596	821	6,970	53,387	59,408
Printing and postage	16,997	679	4,986	22,662	27,510
Broadcast rent and utilities	185,854	2,292	4,296	192,442	194,946
Building and equipment maintenance	6,198	205	1,745	8,148	10,140
Advertising and marketing	6,147	471	11,724	18,342	2,614
Insurance	16,365	3,251	4,595	24,211	19,487
Bank fees	13,274	530	3,894	17,698	15,962
Dues	6,902	276	2,025	9,203	12,515
Other	6,682	770	13,578	21,030	36,074
Depreciation	21,195	873	7,413	29,481	30,308
	<b>\$ 981,200</b>	<b>\$ 35,251</b>	<b>\$ 284,892</b>	<b>\$ 1,301,343</b>	<b>\$ 1,079,362</b>

See notes to financial statements.

**THE KBOO FOUNDATION**

**STATEMENT OF CASH FLOWS**

**Year Ended September 30, 2024**

(With Comparative Totals for the Year Ended September 30, 2023)

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (386,560)	\$ (31,145)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	29,481	30,308
Net (gain) loss on investments	(41,117)	(22,675)
Changes in assets and liabilities:		
Contributions receivable	28,005	(28,005)
Accounts receivable	(877)	(803)
Prepaid expenses	(6,421)	(11,874)
Accounts payable	(12,929)	(5,029)
Accrued payroll and related liabilities	33,566	28,250
<b>Net cash provided by (used in) operating activities</b>	<u><b>(356,852)</b></u>	<u><b>(40,973)</b></u>
<b>Cash flows from investing activities:</b>		
Distributions from beneficial interest in assets held by others	10,787	10,312
Purchase of property and equipment	(9,914)	(57,578)
Purchase of investments	-	(504,821)
Sale of investments	244,758	-
Proceeds from sale of real estate investment	-	378,656
<b>Net cash provided by (used in) investing activities</b>	<u><b>245,631</b></u>	<u><b>(173,431)</b></u>
<b>Net change in cash and cash equivalents</b>	<b>(111,221)</b>	<b>(214,404)</b>
Cash and cash equivalents, beginning of year	<u>442,610</u>	<u>657,014</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ <u>331,389</u></b>	<b>\$ <u>442,610</u></b>

See notes to financial statements.



**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2024**

**NOTE A – DESCRIPTION OF FOUNDATION**

The KBOO Foundation (the Foundation or Organization) is an Oregon non-profit corporation which operates an independent, member-supported, non-commercial, volunteer-powered community radio station in Portland, Oregon. The KBOO Foundation embodies equitable social change, shares knowledge, and fosters creativity by delivering locally rooted and diverse music, culture, news and opinions, with a commitment to the voices of oppressed and underserved communities.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Contributions Revenue and Conditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Bequests are recorded as revenue at the time the Foundation has an established right to the bequest and the proceeds are measurable.

The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenue streams applicable to the Foundation that qualify as exchange transactions (primarily underwriting) are recognized as the on-air announcements are completed. Amounts received in advance are recorded as deferred revenue until the Foundation has satisfied the requirements of the contract. There were no advance payments at September 30, 2024.

**Accounts Receivable**

Accounts receivable are unsecured and are reported at the amount management expects to collect on balances outstanding at year-end.

**Contributions Revenue and Receivables**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. It is the Foundation's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management has determined that an allowance for doubtful accounts was not necessary as of September 30, 2024.

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the Statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities, have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

**Cash and Cash Equivalents**

The Foundation classifies as cash and cash equivalents all checking, savings, and money market accounts used for operating purposes.

**Investments**

Investments consist of certificates of deposit with initial maturities of greater than three months held for long term investment purposes.

## **THE KBOO FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Concentrations of Credit Risk**

Receivables consist primarily of pledges and uncollected fees from program contracts, all of which are unsecured. No allowance for credit losses has been recorded, as management believes all accounts are collectible, based on historical experience and knowledge of current circumstances. Uncollected fees over 90 days old are considered delinquent and are immaterial at September 30, 2024.

The Foundation has cash and cash equivalents which may exceed depository insurance limits. The Foundation makes such deposits with high credit quality entities and has not experienced any credit related losses.

Investments are valued at their fair value in the statement of financial position. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments, is also shown in the statement of activities as part of investment return.

Investment securities, including investments held by Oregon Community Foundation, are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

##### **Endowment Investment and Spending Policies**

The goal of the Foundation's investment program for funds held as Board designated endowment is to achieve a total rate of return that will allow the Foundation to respond to today's needs and the long-term growth necessary to respond to future needs. The investment objective for endowed funds is to retain (at a minimum) when possible an increase in the purchasing power of the funds, while at the same time producing a reasonable return for distribution to meet current needs. To meet this investment objective, the Foundation follows a total return strategy in which investment decisions are made with the intent of maximizing the long-term total return of the portfolio, combining market-value changes (realized and unrealized) and current yield (interest and dividends). Foundation endowment assets are invested in The Oregon Community Foundation (OCF) as an endowment partner.

The Foundation has adopted a spending policy based on the policies of its endowment partner, OCF, to determine the annual amount available for distributions from funds held as Board designated endowment. Each year OCF sets an annual payout rate for the coming year based on a 10-year projection of investment return. Currently, if the projected 10-year return is 9% or above, the payout for grants will be 5% of market value; if the projected 10-year return is below 9%, the payout for grants will be 4.5% of market value. Market value is determined using a 13-quarter trailing average of fund market value.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions of Non-Financial Assets**

The Foundation records various types of contributed services and materials. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible materials are recognized at fair value when received.

The Foundation's policy related to gifts-in-kind is to utilize the assets received to carry out its mission. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value, donated to another charitable Foundation, returned to the donor, or discarded.

Additionally, numerous volunteers have donated a significant number of hours to the Foundation. Although these services do not meet the criteria for recognition under generally accepted accounting principles, they are integral to the Foundation's mission. The Foundation had approximately 250 volunteers for the year ended September 30, 2024.

**Leases**

The Foundation determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Foundation determines these assets are leased because the Foundation has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Foundation determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Foundation separately identifies lease and nonlease components, such as fixed common area and other fixed maintenance costs, in calculating the right of use (ROU) assets and lease liabilities for its office building. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Foundation uses a risk free discount rate to measure the present value.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment purchases in excess of \$1,500 individually are recorded at cost. Donated property is recorded at estimated fair value determined as of the date of receipt. Depreciation is calculated by the straight-line method over the estimated useful lives of individual assets, which range from 5 to 30 years.

**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.

**Income Tax Status**

The Foundation has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. Accordingly, donations made to the Foundation qualify as charitable contributions.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

**NOTE C – FAIR VALUE MEASUREMENTS**

Valuation techniques used to measure fair values are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, exchange traded funds, and cash equivalents.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

**Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data. Assets in this level include beneficial interest in assets held by others (Note D).

# THE KBOO FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

### NOTE C – FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value of the beneficial interest in assets held by others is determined by the Foundation's endowment partner, OCF, and is based upon the Foundation's proportionate interest in OCF's endowment partner fund liability after adjustments for contributions and distributions made during the year. OCF's endowment partner fund liability is stated at fair value, which is generally equivalent to the present value of future payments expected to be made to the endowment partners.

Realized and unrealized gains and losses from investments are reported in the Statement of Activities as investment return. There have been no changes in valuation techniques and related inputs.

Fair value of assets measured on a recurring basis consist of the following at September 30, 2024 were:

	Level 1	Level 2	Level 3	Fair Value Total
Beneficial interest in assets held by others	\$ -	\$ -	\$ 290,576	\$ 290,576
Certificates of deposit	-	260,064	-	260,064
Total	\$ -	\$ 260,064	\$ 290,576	\$ 550,640

The changes in investments classified as Level 3 are as follows for the year ended September 30, 2024:

	Beneficial Interest
Balance at September 30, 2023	\$ 260,246
Contributions	-
Net gains and (losses)	41,117
Distributions	(10,787)
Balance at September 30, 2024	\$ 290,576

### NOTE D – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In December 2000, \$100,000 was transferred to the Oregon Community Foundation (OCF) in conjunction with the Board designated endowment fund. Variance power was not granted to OCF unless the Foundation ceases to exist or loses its tax exempt status, and distributions in the amount of a reasonable rate of return determined by OCF will be distributed to the Foundation each year.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

**NOTE E – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at September 30, 2024 consist of:

Cash on hand and in checking/savings	\$ 73,942
Money market accounts (includes Board designated operating reserve)	245,998
Brokerage	<u>11,449</u>
	<u>\$ 331,389</u>

**NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30, 2024:

Land	\$ 23,709
Building and improvements	192,720
Office furniture and equipment	145,062
Production and broadcast equipment	1,278,757
Website design	<u>29,390</u>
	1,669,638
Less accumulated depreciation	<u>(1,448,162)</u>
	<u>\$ 221,476</u>

Depreciation expense for the year ended September 30, 2024 was \$29,481.

**NOTE G – RESTRICTIONS ON NET ASSETS**

The Foundation's net assets with donor restrictions consist of grants or bequests restricted for purpose.

**NOTE H – BOARD DESIGNATIONS OF NET ASSETS**

In addition to the Board designated endowment funds (see Note D), the Board has designated a portion of cash and unrestricted net assets as a three-month operating reserve for the future and for capital purchases.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2024**

**NOTE H – BOARD DESIGNATIONS OF NET ASSETS (CONTINUED)**

Board-designated net assets at September 30, 2024 consist of the following:

	<u>Without Donor Restrictions</u>
Operating reserve	\$ 310,000
Board-designated endowment	290,576
Board-designated capital fund	<u>24,757</u>
Total Board designated net assets	<u>\$ 625,333</u>

**NOTE I – ENDOWMENT**

The Foundation's endowment consists of funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board designated endowments are held at OCF.

**Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the establishment of a set of prudent management and investment standards for boards to follow when managing endowment funds. A donor's intent to maintain an endowment in perpetuity must be considered and the fund managed accordingly.

As a result of this interpretation, the Foundation classifies as restricted net assets, corpus not subject to expiration:

- The original value of gifts donated to the perpetual endowment.
- The original value of subsequent gifts to the endowment.
- Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument.



**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2024**

**NOTE I – ENDOWMENT (CONTINUED)**

Changes in endowment net assets for the years ended September 30, 2024 are as follows:

	Board Designated Without Donor Restrictions
Endowment net assets, beginning of year	\$ 260,246
Investment gains (losses)	41,117
Distributions appropriated	<u>(10,787)</u>
Endowment net assets, end of year	\$ <u>290,576</u>

**NOTE J – CONTRIBUTIONS OF NON-FINANCIAL ASSETS**

The Foundation receives services and materials from individuals from various organizations to help further its mission. These include underwriting trade services, professional services related to production of programs, and other services. All gifts-in-kind received by the Foundation for the year ended September 30, 2024, were considered without donor restrictions and able to be used by the foundation as determined by the board of directors.

In-kind contributions of programming contract services included in the statement of activities for the year ended September 30, 2024 totaled \$14,091. The Foundation received donated transmitter usage, which was recorded at fair market value of \$82,741.

**NOTE K – LEASE COMMITMENTS**

The Foundation leases tower space for certain repeater stations from third parties, under operating lease agreements, for various terms ranging up to 5 years.

	Transmitter Leases
Annual Lease Cost	\$ <u>72,642</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	\$ <u>75,950</u>
Weighted-average remaining lease term	4 years
Weighted-average discount rate	2.55%

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

**NOTE K – LEASE COMMITMENTS (CONTINUED)**

Future minimum lease payments and reconciliation to the statement of financial position at September 30, 2024 are as follows:

Year Ending September 30,	Operating Leases
2025	\$ 72,687
2026	72,808
2027	69,685
2028	57,195
Total future undiscounted lease payments	<u>272,375</u>
Less present value discount	<u>(12,976)</u>
Lease liabilities	<u>\$ 259,399</u>

The Foundation subleases space on the towers to various unaffiliated not-for-profit organizations on a month-to-month basis. Tower rental income is included in "lease income" in the statement of activities.

**NOTE L – EMPLOYEE BENEFIT PLAN**

The Foundation maintains a defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees. Retirement contributions by the Foundation are at the discretion of the Board of Directors. Contributions totaling \$10,452 were made by the Foundation for the year ended September 30, 2024.

**NOTE M – CONCENTRATION OF SOURCE OF SUPPLY OF LABOR**

The Foundation's staff, with the exception of management, representing approximately 75% of the Foundation's employees, are members of the Communications Workers of America Local 7901, Local #123, American. The Foundation's contract with the union was signed on September 9, 2022. The Foundation's management are not represented by a union.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2024**

**NOTE N – LIQUIDITY**

The following represents the Foundation's financial assets available to meet cash needs for general expenditures within one year of September 30, 2024:

Financial assets at year-end	
Cash and cash equivalents	\$ 331,389
Certificates of deposit	260,064
Other receivables	3,277
Beneficial interest in assets held by others	<u>290,576</u>
Total financial assets	<u>885,306</u>
Less amounts unavailable for general use within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restriction	(66,142)
Board designations:	
Board designated endowment fund	(290,576)
Board designated capital fund	<u>(24,757)</u>
Total unavailable financial assets	<u>(381,475)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 503,831</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Foundation does not intend to spend from its board-designated operating reserve or board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated reserve and board-designated endowment could be made available if necessary to manage unanticipated liquidity needs.

**NOTE O – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 7, 2025, which is the date the financial statements were available to be issued.