



# Maine Public Broadcasting Corporation d/b/a



## FINANCIAL STATEMENTS

June 30, 2024 and 2023

With Independent Auditor's Report



**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Trustees  
Maine Public Broadcasting Corporation  
d/b/a Maine Public

### **Opinion**

We have audited the accompanying financial statements of Maine Public Broadcasting Corporation d/b/a Maine Public (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

### **Basis for Opinion**

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

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 Organization's ability to continue as a going concern within one year after the date that the financial statements were 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

*Berry Dunn McNeil & Parker, LLC*

Manchester, New Hampshire  
November 7, 2024

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statements of Financial Position**

**June 30, 2024 and 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 6,947,646	\$ 2,819,226
Cash internally designated for capital purposes	360,405	358,967
Accounts and grants receivable	1,653,806	1,409,993
Pledges receivable within one year	1,130,514	1,775,849
Prepaid expenses	71,637	66,251
Total current assets	<u>10,164,008</u>	<u>6,430,286</u>
Property and equipment		
Broadcast equipment	19,316,296	17,111,630
Land and improvements	259,978	3,184,978
Buildings and improvements	4,922,792	5,025,086
Office equipment and furniture	1,946,936	1,920,837
Automotive equipment	812,817	662,451
Construction in progress – Portland facility	3,348,257	2,210,457
	<u>30,607,076</u>	<u>30,115,439</u>
Accumulated depreciation	<u>(15,671,792)</u>	<u>(16,363,395)</u>
Total property and equipment	<u>14,935,284</u>	<u>13,752,044</u>
Other assets		
Unemployment compensation deposit	63,042	62,035
Investments	11,168,836	9,780,518
Cash and cash equivalents restricted for capital purposes	19,556,304	18,347,187
Pledges receivable after one year	931,226	2,405,579
Operating leases – right-of-use assets	1,101,636	1,467,829
Total other assets	<u>32,821,044</u>	<u>32,063,148</u>
Total assets	<u>\$ 57,920,336</u>	<u>\$ 52,245,478</u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Current portion of operating lease liabilities	\$ 163,854	\$ 367,267
Accounts payable	244,157	201,011
Accrued expenses and other	979,949	986,324
Total current liabilities	<u>1,387,960</u>	<u>1,554,602</u>
Accrued postretirement benefits	18,064	25,664
Operating lease liabilities, net of current portion	963,280	1,119,436
Total long-term liabilities	<u>981,344</u>	<u>1,145,100</u>
Total liabilities	<u>2,369,304</u>	<u>2,699,702</u>
Net assets		
Without donor restrictions		
Operations	25,125,893	19,229,206
Board designated investment	9,637,451	8,394,660
Total net assets without donor restrictions	<u>34,763,344</u>	<u>27,623,866</u>
With donor restrictions	20,787,688	21,921,910
Total net assets	<u>55,551,032</u>	<u>49,545,776</u>
Total liabilities and net assets	<u>\$ 57,920,336</u>	<u>\$ 52,245,478</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Activities**

**Year Ended June 30, 2024**

**(With Summarized Comparative Totals for Year Ended June 30, 2023)**

	<b>2024</b>			<b>2023</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
Operating revenues and support				
Membership	\$ 7,348,084	\$ -	\$ 7,348,084	\$ 7,254,282
State of Maine	1,650,000	-	1,650,000	1,650,000
Corporation for Public Broadcasting	2,753,747	-	2,753,747	2,277,222
Contributions	3,239,383	5,000	3,244,383	2,729,588
Underwriting	2,950,663	-	2,950,663	3,021,490
Government grants	4,508,109	-	4,508,109	4,417,874
Investment return	375,872	-	375,872	530,858
Gain on sale of land	1,075,000	-	1,075,000	-
Other	371,356	-	371,356	377,766
In-kind	4,000	-	4,000	3,000
Total operating revenues and support	<u>24,276,214</u>	<u>5,000</u>	<u>24,281,214</u>	<u>22,262,080</u>
Operating expenses				
Program services				
Technical	3,183,985	-	3,183,985	2,785,302
Programming and production	7,400,414	-	7,400,414	6,821,346
Public information	786,419	-	786,419	671,947
Total program services	11,370,818	-	11,370,818	10,278,595
Development	3,561,376	-	3,561,376	3,513,395
Administration	2,449,169	-	2,449,169	2,171,534
Capital Campaign	400,271	-	400,271	413,762
Depreciation	1,990,755	-	1,990,755	1,524,543
Total operating expenses	<u>19,772,389</u>	<u>-</u>	<u>19,772,389</u>	<u>17,901,829</u>
Changes in net assets from operations	<u>4,503,825</u>	<u>5,000</u>	<u>4,508,825</u>	<u>4,360,251</u>
Nonoperating activities				
Contributions	85,455	1,637,305	1,722,760	1,324,275
Investment return	1,157,335	116,336	1,273,671	871,757
Write off of uncollectible pledges receivable	-	(1,500,000)	(1,500,000)	-
Net assets released from restrictions	1,392,863	(1,392,863)	-	-
Total nonoperating activities	<u>2,635,653</u>	<u>(1,139,222)</u>	<u>1,496,431</u>	<u>2,196,032</u>
Change in net assets	7,139,478	(1,134,222)	6,005,256	6,556,283
Net assets, beginning of year	<u>27,623,866</u>	<u>21,921,910</u>	<u>49,545,776</u>	<u>42,989,493</u>
Net assets, end of year	<u>\$ 34,763,344</u>	<u>\$ 20,787,688</u>	<u>\$ 55,551,032</u>	<u>\$ 49,545,776</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Activities**

**Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support			
Membership	\$ 7,254,282	\$ -	\$ 7,254,282
State of Maine	1,650,000	-	1,650,000
Corporation for Public Broadcasting	2,277,222	-	2,277,222
Contributions	2,681,552	48,036	2,729,588
Underwriting	3,021,490	-	3,021,490
Government grants	4,417,874	-	4,417,874
Investment return	530,858	-	530,858
Other	377,766	-	377,766
In-kind	3,000	-	3,000
Net assets released from restrictions	<u>12,042</u>	<u>(12,042)</u>	<u>-</u>
Total operating revenues and support	<u>22,226,086</u>	<u>35,994</u>	<u>22,262,080</u>
Operating expenses			
Program services			
Technical	2,785,302	-	2,785,302
Programming and production	6,821,346	-	6,821,346
Public information	<u>671,947</u>	<u>-</u>	<u>671,947</u>
Total program services	10,278,595	-	10,278,595
Development	3,513,395	-	3,513,395
Administration	2,171,534	-	2,171,534
Capital Campaign	413,762	-	413,762
Depreciation	<u>1,524,543</u>	<u>-</u>	<u>1,524,543</u>
Total operating expenses	<u>17,901,829</u>	<u>-</u>	<u>17,901,829</u>
Changes in net assets from operations	<u>4,324,257</u>	<u>35,994</u>	<u>4,360,251</u>
Nonoperating activities			
Contributions	152,932	1,171,343	1,324,275
Investment return	793,408	78,349	871,757
Net assets released from restrictions	<u>1,267,786</u>	<u>(1,267,786)</u>	<u>-</u>
Total nonoperating activities	<u>2,214,126</u>	<u>(18,094)</u>	<u>2,196,032</u>
Change in net assets	6,538,383	17,900	6,556,283
Net assets, beginning of year	<u>21,085,483</u>	<u>21,904,010</u>	<u>42,989,493</u>
Net assets, end of year	<u>\$ 27,623,866</u>	<u>\$ 21,921,910</u>	<u>\$ 49,545,776</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Functional Expenses**

**Year Ended June 30, 2024  
(With Summarized Comparative Totals for 2023)**

	2024								2023
	Program Services				Support Services				
	Technical	Programming and Production	Public Information	Total	Development	Administration	Capital Campaign	Total	Total
Salaries and benefits	\$ 1,337,274	\$ 4,190,143	\$ 535,784	\$ 6,063,201	\$ 2,252,038	\$ 1,237,848	\$ 326,273	\$ 9,879,360	\$ 9,223,160
Programming	-	2,284,295	-	2,284,295	-	-	-	2,284,295	2,097,913
Professional services	372,727	465,645	37,169	875,541	134,095	329,062	3,000	1,341,698	1,268,236
Printing	-	-	66,927	66,927	364,612	-	-	431,539	424,063
Electricity	635,950	-	-	635,950	-	41,653	-	677,603	406,144
Maintenance	214,594	4,627	-	219,221	-	142,733	1,538	363,492	435,795
Postage	48	239	54,635	54,922	161,642	8,696	-	225,260	211,509
Travel and conference	46,658	85,733	10,439	142,830	47,679	49,728	8,914	249,151	160,033
Rent	306,415	8,000	-	314,415	-	120,934	2,083	437,432	431,010
Insurance	28,508	100,327	13,158	141,993	58,716	19,188	-	219,897	199,245
Telephone	72,219	17,952	-	90,171	22,510	163,395	1,925	278,001	239,743
Premiums	-	-	-	-	122,298	-	-	122,298	134,982
Miscellaneous	-	17,616	569	18,185	113,454	110,750	16,783	259,172	233,067
Office and technical supplies	37,268	40,886	28,124	106,278	12,479	12,866	1,354	132,977	107,015
Minor equipment	-	26,244	-	26,244	-	10,424	-	36,668	22,024
Computer services	125,323	1,656	-	126,979	-	-	-	126,979	79,452
Bank fees and discounts	-	-	-	-	235,382	10,637	3,805	249,824	231,503
Advertising	-	300	26,245	26,545	20,968	22,535	-	70,048	65,575
Special events	-	3,682	2,019	5,701	4,243	-	34,596	44,540	81,437
Professional dues	-	80,731	-	80,731	951	99,118	-	180,800	147,198
Strategic initiative/training	2,182	7,072	-	9,254	2,945	17,973	-	30,172	28,972
Video tape	-	959	-	959	-	-	-	959	713
Subscriptions	4,819	64,307	11,350	80,476	7,364	4,629	-	92,469	95,997
Other taxes	-	-	-	-	-	47,000	-	47,000	52,500
Subtotal	3,183,985	7,400,414	786,419	11,370,818	3,561,376	2,449,169	400,271	17,781,634	16,377,286
Depreciation	1,588,749	166,926	33,967	1,789,642	151,578	49,535	-	1,990,755	1,524,543
Totals	\$ 4,772,734	\$ 7,567,340	\$ 820,386	\$ 13,160,460	\$ 3,712,954	\$ 2,498,704	\$ 400,271	\$ 19,772,389	\$ 17,901,829

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



**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statement of Functional Expenses**

**Year Ended June 30, 2023**

	2023							
	Program Services				Support Services			
	Technical	Programming and Production	Public Information	Total	Development	Administration	Capital Campaign	Total
Salaries and benefits	\$ 1,206,185	\$ 3,852,010	\$ 481,157	\$ 5,539,352	\$ 2,219,127	\$ 1,216,367	\$ 248,314	\$ 9,223,160
Programming	-	2,097,913	-	2,097,913	-	-	-	2,097,913
Professional services	374,518	469,223	23,200	866,941	128,667	201,784	70,844	1,268,236
Printing	-	1,205	44,563	45,768	370,716	3,110	4,469	424,063
Electricity	369,440	-	-	369,440	-	36,704	-	406,144
Maintenance	273,150	2,917	-	276,067	-	158,556	1,172	435,795
Postage	33	184	50,421	50,638	153,040	7,758	73	211,509
Travel and conference	41,284	44,846	7,175	93,305	28,567	29,924	8,237	160,033
Rent	307,788	6,539	-	314,327	-	114,600	2,083	431,010
Insurance	24,385	89,461	12,195	126,041	57,456	15,748	-	199,245
Telephone	71,277	18,380	-	89,657	17,504	131,289	1,293	239,743
Premiums	-	-	-	-	134,982	-	-	134,982
Miscellaneous	30	24,468	2,784	27,282	139,062	41,198	25,525	233,067
Office and technical supplies	30,678	36,778	19,623	87,079	7,986	11,574	376	107,015
Minor equipment	-	20,292	-	20,292	-	1,732	-	22,024
Computer services	77,796	1,656	-	79,452	-	-	-	79,452
Bank fees and discounts	-	-	-	-	228,717	9,796	(7,010)	231,503
Advertising	-	4,440	13,085	17,525	8,754	39,296	-	65,575
Special events	-	-	10,319	10,319	12,732	-	58,386	81,437
Professional dues	-	72,804	-	72,804	1,235	73,159	-	147,198
Strategic initiative/training	3,448	2,321	-	5,769	1,054	22,149	-	28,972
Video tape	-	713	-	713	-	-	-	713
Subscriptions	5,290	75,196	7,425	87,911	3,796	4,290	-	95,997
Other taxes	-	-	-	-	-	52,500	-	52,500
Subtotal	2,785,302	6,821,346	671,947	10,278,595	3,513,395	2,171,534	413,762	16,377,286
Depreciation	1,168,563	156,461	28,486	1,353,510	134,239	36,794	-	1,524,543
Totals	<u>\$ 3,953,865</u>	<u>\$ 6,977,807</u>	<u>\$ 700,433</u>	<u>\$ 11,632,105</u>	<u>\$ 3,647,634</u>	<u>\$ 2,208,328</u>	<u>\$ 413,762</u>	<u>\$ 17,901,829</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Statements of Cash Flows**

**Years Ended June 30, 2024 and 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
Cash flows from operating activities		
Change in net assets	\$ <b>6,005,256</b>	\$ 6,556,283
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	<b>1,990,755</b>	1,524,543
Right-of-use leases, net	<b>6,624</b>	18,874
Gain on sale of land	<b>(1,075,000)</b>	-
Net gain on investments	<b>(1,273,671)</b>	(871,757)
Contributions restricted for long-term purposes	<b>(1,637,305)</b>	(1,088,417)
(Increase) decrease in		
Accounts and grants receivable	<b>(243,813)</b>	64,888
Prepaid expenses	<b>(5,386)</b>	65,678
Unemployment compensation deposit	<b>(1,007)</b>	(6)
Increase (decrease) in		
Accounts payable	<b>43,146</b>	(111,092)
Accrued expenses and other	<b>(6,375)</b>	37,164
Accrued postretirement benefits	<b>(7,600)</b>	(7,600)
Net cash provided by operating activities	<u><b>3,795,624</b></u>	<u>6,188,558</u>
Cash flows from investing activities		
Purchases of property and equipment	<b>(6,089,555)</b>	(6,213,605)
Proceeds from sale of land	<b>3,990,560</b>	-
Proceeds from the sale of investments	<b>400,018</b>	718,898
Purchases of investments	<b>(514,665)</b>	(890,890)
Net cash used by investing activities	<u><b>(2,213,642)</b></u>	<u>(6,385,597)</u>
Cash flows from financing activities		
Contributions received restricted for long-term purposes	<u><b>3,756,993</b></u>	<u>2,158,197</u>
Net cash provided by financing activities	<u><b>3,756,993</b></u>	<u>2,158,197</u>
Net increase in cash and cash equivalents	<b>5,338,975</b>	1,961,158
Cash and cash equivalents, beginning of year	<u><b>21,525,380</b></u>	<u>19,564,222</u>
Cash and cash equivalents, end of year	<u><b>\$ 26,864,355</b></u>	<u>\$ 21,525,380</u>
Composition of cash and cash equivalents at end of year		
Cash and cash equivalents	<b>\$ 6,947,646</b>	\$ 2,819,226
Cash internally designated for capital purchases	<b>360,405</b>	358,967
Cash and cash equivalents restricted for capital purposes	<u><b>19,556,304</b></u>	<u>18,347,187</u>
	<u><b>\$ 26,864,355</b></u>	<u>\$ 21,525,380</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for income taxes	<u><b>\$ 47,000</b></u>	<u>\$ 52,500</u>

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

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies**

**Organization**

Maine Public Broadcasting Corporation d/b/a Maine Public (Maine Public) is a statewide broadcasting system: Maine Public Television (five stations), Maine Public Radio (seven stations), and Maine Public Classical (six radio stations). Serving the people of Maine and beyond, Maine Public is a nonprofit, noncommercial public broadcast entity funded by a unique public/private partnership. Maine Public is affiliated with the Public Broadcasting System and National Public Radio.

**Basis of Presentation**

The accompanying financial statements, which are presented on the accrual basis of accounting, focus on Maine Public as a whole. Assets and liabilities have been shown in order of liquidity. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The financial statements of Maine Public have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require Maine Public to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Maine Public's management and Board of Trustees.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Maine Public or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Recently Adopted Accounting Pronouncement**

Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology.

**MAINE PUBLIC BROADCASTING CORPORATION  
D/B/A MAINE PUBLIC**

**Notes to Financial Statements**

**June 30, 2024 and 2023**

The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts and grants receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments), and net investments in leases recognized by a lessor. The adoption of Topic 326 during the year ended June 30, 2024 did not have a material impact on the financial statements of the Organization.

**Accounts and Grants Receivable**

Accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances, current relationships with them, and reasonable and supportable forecasts, it has concluded that realization of losses on balances outstanding at year-end are expected to be immaterial.

**Pledges Receivable**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges receivable expected to be received after more than one year are discounted to the present value of their future cash flows using a risk adjusted rate of return after providing an allowance for credit losses. Charitable lead interest trusts are included in pledges receivable at the present value of future distributions.

**Property and Equipment**

Property and equipment are recorded at cost or, in the case of donated property, at estimated fair value at date of receipt. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated lives of such assets range between three and thirty-five years. Maine Public capitalizes the cost of purchases in excess of \$2,500. Costs of repairs and maintenance are charged to operating expenses as incurred. Upon sale or retirement, the cost and accumulated depreciation are removed and any resulting gain or loss is included in the statements of activities.

**Donated Assets**

Donated marketable securities and other noncash donations are recorded at their estimated fair values at the date of donation.

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Such donations are reported as contributions without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. In the absence of donor stipulations regarding how long the contributed assets must be used, Maine Public reports expirations of donor restrictions when the donated or acquired assets are placed in service.

**Contributions**

Contributions received, including unconditional promises to give, are recognized as revenues when donors' commitments are received.

All contributions are included in net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions.

A donor restriction expires when a stipulated time restriction ends or when a purpose is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are included as contributions without donor restrictions.

**Investments**

Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the statements of activities.

Maine Public's investment policy and spending policy for long-term investments are as follows:

*Investment Objective:* Maine Public invests for long-term growth of capital with moderate income requirements. Growth accounts will experience moderate to high levels of portfolio fluctuations to achieve long-term objectives.

*Return Objective:* Consistent with the asset class return assumptions, the long-term expected annual return for this objective should fall within a range between 5.5% and 7%.

*Risk Tolerance:* Maine Public recognizes that the long-range objective implies a high level of equity exposure and consequent market price volatility. The risk of the equity and fixed income portfolio shall be consistent with their respective indexes.

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*Asset Allocation:* The asset allocation range shall be: 51% - 71% in equities, 15% - 45% in fixed income, and 2% - 13% in alternative asset classes (including real estate investment trusts and commodities).

*Time Horizon:* Long-term.

*Spending Policy:* Trustees have adopted a 4% annual spending rule based on a three-year rolling average market value calculated at the prior fiscal year-end.

*Performance Measurement:* The investment performance of this portfolio will be measured against both a blended benchmark and a static benchmark. The dynamically-weighted blended benchmark shall consist of the Citi 3-Month T-Bill, S&P 500, Russell 2000, S&P Mid-Cap 400, MSCI EAFE, MSCI EM, Dow Jones UBS Commodities, Morgan Stanley REIT, and the BarCap Intermediate Govt/Credit Indexes. The static benchmark shall consist of 70% MSCI All-Country World Index / 30% BarCap U.S. Government 1-5 year Index.

Investment income is credited to net assets without donor restrictions unless otherwise designated by the donor or state law. Related interest and dividends are recorded on the accrual basis.

**Operating and Nonoperating Activities**

Maine Public reports its revenues and expenses as operating or nonoperating activities in the statements of activities. Nonoperating activities include contributions to the Board designated or donor-restricted endowment funds, investment gains and losses of the Board designated endowment funds and contributions to fund capital projects, write-off of uncollectible pledges receivable, and the release thereof when Maine Public has complied with the donative restrictions.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include depreciation expense, which is allocated primarily based on full-time equivalents, and insurance, which is allocated based on full-time equivalents. Other expenses are charged directly to the program they serve.

**Income Taxes**

Maine Public is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Certain activities of Maine Public are unrelated business income and, therefore, subject to federal and state income tax.

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**Cash and Cash Equivalents**

Maine Public considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Any cash classified as long-term investments is not considered a cash equivalent because it is not designated for current use by the Board of Trustees.

**2. Cash and Cash Equivalents**

Maine Public maintains checking accounts, certificates of deposit, and money market accounts at various Maine financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Amounts in excess of FDIC coverage have been collateralized.

**3. Pledges Receivable**

Included in pledges receivable are the following unconditional promises to give:

	<u>2024</u>	<u>2023</u>
General	\$ 3,776	\$ 4,118
Capital campaign	2,155,310	4,418,115
Charitable lead interest trust	<u>-</u>	<u>5,000</u>
	<b>2,159,086</b>	4,427,233
Less discount of 4.0% and 3.0% as of June 30, 2024 and 2023, respectively	<u>(97,346)</u>	<u>(245,805)</u>
Total unconditional promises to give	<b><u>\$ 2,061,740</u></b>	<b><u>\$ 4,181,428</u></b>
	<u>2024</u>	<u>2023</u>
Amount due in:		
Less than one year	\$ 1,130,514	\$ 1,775,849
One to five years	<u>1,028,572</u>	<u>2,651,384</u>
	<b><u>\$ 2,159,086</u></b>	<b><u>\$ 4,427,233</u></b>

**4. Endowment**

Maine Public's Board of Trustees has interpreted state law as requiring the preservation of the original gifts to donor-restricted endowment funds as net assets with donor restrictions of perpetual duration. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of income and appreciation, amounts not considered of perpetual duration are classified as net assets with donor restrictions until appropriated for expenditure. Maine Public elected not to spend from the endowment during the years ended June 30, 2024 and 2023.

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**June 30, 2024 and 2023**

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

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ -	\$ 978,979	\$ 978,979
Board designated endowment funds	<u>9,637,451</u>	<u>-</u>	<u>9,637,451</u>
Total funds	<u><b>\$ 9,637,451</b></u>	<u><b>\$ 978,979</b></u>	<u><b>\$10,616,430</b></u>

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

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ -	\$ 859,143	\$ 859,143
Board designated endowment funds	<u>8,394,660</u>	<u>-</u>	<u>8,394,660</u>
Total funds	<u><b>\$ 8,394,660</b></u>	<u><b>\$ 859,143</b></u>	<u><b>\$ 9,253,803</b></u>

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 relevant state law requires Maine Public to retain as a fund of perpetual duration. Maine Public has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There were no deficiencies of this nature as of June 30, 2024 and 2023.

Changes in endowment net assets for the year ended June 30, 2024 are as follows:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Beginning of year	\$ 8,394,660	\$ 859,143	\$ 9,253,803
Investment return			
Interest and dividends	169,788	17,283	187,071
Net appreciation in fair value of investments	987,547	99,053	1,086,600
Contributions	<u>85,456</u>	<u>3,500</u>	<u>88,956</u>
End of year	<u><b>\$ 9,637,451</b></u>	<u><b>\$ 978,979</b></u>	<u><b>\$10,616,430</b></u>



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**June 30, 2024 and 2023**

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 7,450,632	\$ 770,539	\$ 8,221,171
Investment return			
Interest and dividends	132,742	13,543	146,285
Net appreciation in fair value of investments	658,337	67,135	725,472
Contributions	<u>152,949</u>	<u>7,926</u>	<u>160,875</u>
End of year	<u>\$ 8,394,660</u>	<u>\$ 859,143</u>	<u>\$ 9,253,803</u>

**5. Liquidity and Availability of Financial Assets**

Maine Public regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. Maine Public has various sources of liquidity at its disposal, including cash and cash equivalents, investments, and lines of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Maine Public considers all expenditures related to its ongoing operating activities. In addition to financial assets available to meet general expenditures over the next 12 months, Maine Public operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources or, where appropriate, borrowings.

As of June 30, 2024, Maine Public has working capital of \$8,776,048 and average days (based on normal expenditures) of cash and cash equivalents without designation or restriction on hand of 132 days.

Financial assets and liquid resources available within 12 months for general expenditures were as follows as of June:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 6,947,646	\$ 2,819,226
Accounts and grants receivable	1,653,806	1,409,993
Operating pledges receivable within one year	30,280	8,515
Investments	<u>11,168,836</u>	<u>9,780,518</u>
	<u>19,800,568</u>	14,018,252
Less: investments – with donor restrictions	(978,979)	(859,143)
Less: investments – without donor restrictions	<u>(9,637,451)</u>	<u>(8,394,660)</u>
	<u>\$ 9,184,138</u>	<u>\$ 4,764,449</u>

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**June 30, 2024 and 2023**

Maine Public's governing board has designated a portion of its unrestricted resources for long-term investment and other purposes. Those amounts are identified as investments – without donor restrictions in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

Maine Public's goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$4.8 million).

In addition to the resources discussed above, Maine Public has two lines of credit available to meet short-term needs, as discussed in Note 6.

**6. Lines of Credit**

Maine Public has available two unsecured lines of credit, for \$500,000 and \$1,300,000, with variable interest rates. There were no outstanding balances on the lines of credit at June 30, 2024 and 2023. The lines of credit expire in February and March 2025, respectively, and are subject to review at that time.

**7. Postretirement Benefits**

Maine Public sponsored a defined benefit postretirement medical benefit plan. The Plan provided that employees who retired from active status after reaching age 55 and had completed ten years of service or became disabled (regardless of service) were eligible. Eligible employees who retired or became disabled and their spouses (if married) continued to have 90% of their medical premiums paid by Maine Public. When retired or disabled participants reached age 65, Medicare became their primary plan and Maine Public's plan became secondary. Maine Public continued to pay 90% of medical coverage for the secondary coverage. The Plan was curtailed during the year ended June 30, 1997.

In 1997, Maine Public offered to continue special benefits to its employees who elected voluntary retirement from employment by a specified period of time and notified Maine Public by October 30, 1997. Because a significant reduction in future years of service to fill eligibility of active participants has occurred, the offer of special termination benefits resulted in a plan curtailment. The accumulated postretirement benefit obligation at June 30, 2024 and 2023 was \$18,064 and \$25,664, respectively.

**8. Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, Maine Public uses various methods, including market, income and cost approaches. Based on these approaches, Maine Public often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs.

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**June 30, 2024 and 2023**

Maine Public utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, Maine Public is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Fair values of assets measured on a recurring basis are as follows:

<b>June 30, 2024</b>	<b><u>Total</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Cash and money market accounts	\$ 1,002,083	\$ 1,002,083	\$ -	\$ -
U.S. government agency obligations	2,468,151	-	2,468,151	-
Corporate bonds	509,276	-	509,276	-
Other	114,239	-	114,239	-
Mutual funds – fixed income	10,510	10,510	-	-
Mutual funds – equity securities	<u>7,064,577</u>	<u>7,064,577</u>	-	-
Total	<u>\$ 11,168,836</u>	<u>\$ 8,077,170</u>	<u>\$ 3,091,666</u>	<u>\$ -</u>
 June 30, 2023	 <u>Total</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>
Cash and money market accounts	\$ 947,988	\$ 947,988	\$ -	\$ -
U.S. government agency obligations	2,199,349	-	2,199,349	-
Corporate bonds	552,761	-	552,761	-
Other	111,931	-	111,931	-
Mutual funds – fixed income	11,120	11,120	-	-
Mutual funds – equity securities	<u>5,957,369</u>	<u>5,957,369</u>	-	-
Total	<u>\$ 9,780,518</u>	<u>\$ 6,916,477</u>	<u>\$ 2,864,041</u>	<u>\$ -</u>

The fair value of Level 2 assets has been measured using quoted market prices of similar assets.

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**9. Retirement Plan**

Employees participate in a retirement plan under Section 403(b) of the Internal Revenue Code through the Teachers Insurance and Annuity Association of America and College Retirement Equities Fund. Contributions are made both by the participant and Maine Public. Maine Public contributes between 3% and 6.5% of an employee's salary on a graduated rate based upon an employee's contribution. Maine Public's contributions were approximately \$451,700 and \$435,500 in 2024 and 2023, respectively.

**10. Health Insurance Plan**

Maine Public's health plan is a self-insured vehicle with a stop-loss component. Claims are handled through an independent third party benefits administrator. In the fiscal years 2024 and 2023, Maine Public's reinsurance policy provided payment for per person annual claim costs in excess of \$55,000. Total net cost for claims, administration, and stop loss insurance totaled approximately \$1,186,000 and \$1,155,000 for the years ended 2024 and 2023, respectively. The statements of financial position includes \$157,348 and \$223,905 of accrued medical claims as of June 30, 2024 and 2023, respectively, which are included in accrued expenses and other.

**11. Related Party**

Maine Public purchases various products and services from a related party, the University of Maine System (UMS). Maine Public was affiliated with UMS before incorporating in July 1992. Since then, UMS has maintained a position on Maine Public's Board of Trustees. The amount paid to UMS totaled approximately \$110,540 and \$120,530 during the years ended 2024 and 2023, respectively. The purchases included fuel, printing and telecommunication services.

**12. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
General	\$ 14,230	\$ 18,353
Capital campaigns – for property and equipment	<u>19,806,002</u>	<u>21,046,937</u>
	<u>19,820,232</u>	<u>21,065,290</u>
Subject to the passage of time:		
Charitable lead interest trust	-	9,000
Endowment gains	<u>507,973</u>	<u>391,637</u>
	<u>507,973</u>	<u>400,637</u>
Endowment funds invested in perpetuity for which income is without donor restrictions to be used for operations	<u>459,483</u>	<u>455,983</u>
Total net assets with donor restrictions	\$ <u>20,787,688</u>	\$ <u>21,921,910</u>

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**13. Contingencies**

Maine Public receives funding in the form of grants from the Corporation for Public Broadcasting which is a private, nonprofit corporation, the National Telecommunications and Information Administration, and other federal agencies. The grants are governed by various rules and regulations and are subject to audit and adjustment by the grantors. Therefore, to the extent that Maine Public has not complied with the rules and regulations governing the grants, repayments may be required. In the opinion of Maine Public, there are no significant uncertainties relating to compliance with the rules and regulations governing these grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**14. Commitments**

During the year ended June 30, 2024, Maine Public sold a piece of land, which resulted in a gain of approximately \$1.1 million, and is included in the statement of activities for the year ended June 30, 2024. Subsequent to June 30, 2024, Maine Public purchased a building for its new facility in Southern Maine for approximately \$20 million.

Maine Public will be renovating the new facility. The total cost of the construction of the new facility approximates \$15 million, which will be funded primarily by contributions from the capital campaign. To date, Maine Public has incurred approximately \$3.4 million in architectural and project management costs.

As of November 7, 2024 Maine Public has raised approximately \$24.7 million through contributions relative to the campaign

**15. Operating Leases**

Maine Public leases towers and copier machines under noncancelable operating leases expiring in various dates through 2036. The monthly lease payments range from \$157 to \$8,322 through the end of the lease terms. Some leases do not require monthly payments and are paid quarterly. The following table presents the right-of-use assets and lease liabilities as of June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Assets		
Right-of-use operating leases right-of-use assets	\$ <u>1,101,636</u>	\$ <u>1,467,829</u>
Liabilities		
Current portion of operating lease liabilities	\$ 163,854	\$ 367,267
Operating lease liabilities, net of current portion	<u>963,280</u>	<u>1,119,436</u>
	\$ <u>1,127,134</u>	\$ <u>1,486,703</u>
Weighted-average discount rate	3.3 %	4.8 %
Weighted-average remaining lease term	6.8	8.3

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Expense under the operating lease, which approximated lease payments, was \$437,433 and \$431,008 for the years ended June 30, 2024 and 2023.

The maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liability are as follows for the years ended June 30:

2025	\$ 206,330
2026	197,725
2027	180,715
2028	171,670
2029	177,630
Thereafter	<u>380,216</u>
	1,314,286
Less present value discount	<u>(187,152)</u>
	<u>\$ 1,127,134</u>

**16. Subsequent Events**

Management has evaluated subsequent events through November 7, 2024, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date.