

**TILlicum FOUNDATION**  
**ASTORIA, OREGON**

**AUDITED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023 and 2022**

Prepared by  
**SIGNE GRIMSTAD**  
Certified Public Accountant  
530 NW 3rd Street  
PO Box 1930  
Newport, Oregon 97365

**TILlicum FOUNDATION  
ASTORIA, OREGON**

**BOARD OF DIRECTORS**

Larry Scott	President
Todd Lippold	Vice President
Sturges Dorrance	Treasurer
Alyssa Evans	Secretary
John Stevenson	Director
Mick Mortlock	Director
Bonnie Lively	Director
Randy Vogt	Director
Vacant	Director

**STATION MANAGER**

Susan Peterson

**OFFICE**

1445 Exchange  
Astoria, Oregon 97103  
503-325-0010

**TILlicum FOUNDATION  
ASTORIA, OREGON**

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**INTRODUCTORY SECTION**

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Board of Directors

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# GRIMSTAD & ASSOCIATE

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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530 NW 3<sup>rd</sup> St. Suite E  
Newport, OR 97365  
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Fax (541) 265-9255  
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To the Board of Directors  
Tillicum Foundation  
Astoria, Oregon

### Opinion

I have audited the accompanying financial statements of Tillicum Foundation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tillicum Foundation as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Tillicum Foundation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Tillicum Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Members:  
AICPA & OSCP

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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 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, I:

- 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 Tillicum 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tillicum Foundation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Sincerely,

**GRIMSTAD & ASSOCIATE**



**Signe Grimstad**  
Certified Public Accountant  
Newport, Oregon  
February 16, 2024

**TILLICUM FOUNDATION  
ASTORIA, OREGON**

**STATEMENTS OF FINANCIAL POSITION  
as of September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 316,263	\$ 381,811
Accounts receivable	8,027	4,923
Investment	23,866	2,851
Endowment	40,079	20,567
Total current assets	388,235	410,152
<b>Fixed Assets</b>		
Fixed assets at cost	883,327	865,827
Less: Accumulated depreciation	(660,450)	(641,295)
Net fixed assets	222,877	224,532
Total assets	\$ 611,112	\$ 634,684
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 27,839	\$ 12,800
Accrued wages	0	0
Accrued payroll taxes	594	5,762
Deferred revenue	1,618	1,610
Total current liabilities	30,051	20,172
Total liabilities	30,051	20,172
<b>Net Assets</b>		
<b>Without donor restrictions</b>		
Undesignated	351,736	432,116
Designated	184,246	133,408
<b>With donor restrictions</b>	45,079	48,988
Total net assets	581,061	614,512
Total liabilities and net assets	\$ 611,112	\$ 634,684

See accompanying notes to the financial statements.

**TILlicum FOUNDATION  
ASTORIA, OREGON**

**STATEMENT OF ACTIVITIES  
for the Years Ended September 30, 2023 and 2022**

	<b>2023</b>			<b>2022</b>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>						
Membership	\$ 273,371	\$ 0	\$ 273,371	\$ 265,614	\$ 0	\$ 265,614
Underwriting	89,828	0	89,828	86,318	0	86,318
Advertising	30,785	0	30,785	12,772	0	12,772
Merchandise sales	14,909	0	14,909	1,879	0	1,879
Rentals	19,178	0	19,178	13,679	0	13,679
Interest	748	0	748	458	0	458
Unrealized gain (loss) on investments	(44)	0	(44)	(4,932)	0	(4,932)
Other income	26,723	0	26,723	1,800	0	1,800
Total revenue	<u>455,498</u>	<u>0</u>	<u>455,498</u>	<u>377,588</u>	<u>0</u>	<u>377,588</u>
<b>SUPPORT</b>						
Grants	117,011	30,626	147,637	114,138	31,675	145,813
Contributions	31,071	5,000	36,071	26,036	2,157	28,193
Government grants	0	1,500	1,500	0	0	0
Total support	<u>148,082</u>	<u>37,126</u>	<u>185,208</u>	<u>140,174</u>	<u>33,832</u>	<u>174,006</u>
<b>RECLASSIFICATIONS</b>						
Fisher Poet closeout	0	(20,987)	(20,987)	0	0	0
Net assets released from restrictions	20,048	(20,048)	0	47,558	(47,558)	0
Total revenue, support and reclassifications	<u>623,628</u>	<u>(3,909)</u>	<u>619,719</u>	<u>565,320</u>	<u>(13,726)</u>	<u>551,594</u>
<b>EXPENSES</b>						
Program services - radio stations	471,093	0	471,093	312,575	0	312,575
Support services:						
Management and general	115,139	0	115,139	179,769	0	179,769
Fundraising	66,938	0	66,938	102,341	0	102,341
Total expenses	<u>653,170</u>	<u>0</u>	<u>653,170</u>	<u>594,685</u>	<u>0</u>	<u>594,685</u>
Changes in net assets	(29,542)	(3,909)	(33,451)	(29,365)	(13,726)	(43,091)
NET ASSETS - Beginning of fiscal year	<u>565,524</u>	<u>48,988</u>	<u>614,512</u>	<u>594,889</u>	<u>62,714</u>	<u>657,603</u>
NET ASSETS - End of fiscal year	<u>\$ 535,982</u>	<u>\$ 45,079</u>	<u>\$ 581,061</u>	<u>\$ 565,524</u>	<u>\$ 48,988</u>	<u>\$ 614,512</u>

See accompanying notes to the financial statements.

**TILLICUM FOUNDATION**  
**ASTORIA, OREGON**

**STATEMENT OF FUNCTIONAL EXPENSES FOR PROGRAM AND SUPPORT SERVICES**  
**for the Year Ended September 30, 2023**

	Program Services	Support Services		Total Expenses
	Radio Stations	Management and General	Fundraising	
Salaries and wages	\$ 241,072	\$ 8,942	\$ 54,905	\$ 304,919
Payroll taxes	25,858	960	5,889	32,707
Employee benefits	18,613	690	4,239	23,542
Workers' compensation	1,032	38	235	1,305
Subtotal personnel costs	<u>286,575</u>	<u>10,630</u>	<u>65,268</u>	<u>362,473</u>
Cost of goods sold	5,160	6,090	0	11,250
Advertising and promotion	6,889	8,971	525	16,385
Board and Foundation	219	1,351	262	1,832
Dues and subscriptions	4,000	1,754	0	5,754
Gifts and hospitality	135	149	37	321
Insurance	5,366	5,367	0	10,733
Office	3,718	14,063	188	17,969
Other program costs	9,990	84	0	10,074
Programming	71,474	0	0	71,474
Professional services, accounting/audit	0	13,700	0	13,700
Professional services, legal	0	2,587	0	2,587
Professional services, other	33,225	7,680	0	40,905
Site rent and lease	11,236	0	0	11,236
Equipment rental	0	360	0	360
Repairs and maintenance	126	9,710	0	9,836
Small equipment	1,027	480	0	1,507
Taxes and licenses	20	506	0	526
Travel and training	1,775	357	658	2,790
Communications	406	13,746	0	14,152
Utilities	16,727	4,117	0	20,844
Miscellaneous	0	7,307	0	7,307
Total operating expenses	<u>458,068</u>	<u>109,009</u>	<u>66,938</u>	<u>634,015</u>
Depreciation	<u>13,025</u>	<u>6,130</u>	<u>0</u>	<u>19,155</u>
Total expenses	<u>\$ 471,093</u>	<u>\$ 115,139</u>	<u>\$ 66,938</u>	<u>\$ 653,170</u>
Percent of total expenses	<u>72%</u>	<u>18%</u>	<u>10%</u>	<u>100%</u>

See accompanying notes to the financial statements.



**TILlicum FOUNDATION**  
ASTORIA, OREGON

**STATEMENT OF FUNCTIONAL EXPENSES FOR PROGRAM AND SUPPORT SERVICES**  
for the Year Ended September 30, 2022

	Program	Support Services		Total
	Services	Management	Fundraising	
	Radio	and General		
	Stations			
Salaries and wages	\$ 148,968	\$ 74,529	\$ 83,701	\$ 307,198
Payroll taxes	15,603	7,379	8,616	31,598
Employee benefits	12,254	6,003	6,752	25,009
Workers' compensation	726	356	400	1,482
Subtotal personnel costs	177,551	88,267	99,469	365,287
Cost of goods sold	3,000	0	450	3,450
Advertising and promotion	296	6,706	460	7,462
Board and Foundation	0	7,216	445	7,661
Dues and subscriptions	3,860	1,782	0	5,642
Gifts and hospitality	26	913	55	994
Interest	0	1	0	1
Insurance	0	7,363	0	7,363
Office	3,310	17,599	180	21,089
Other program costs	0	0	1,282	1,282
Programming	64,376	319	0	64,695
Professional services, accounting/audit	150	11,237	0	11,387
Professional services, legal	7,796	2,775	0	10,571
Professional services, other	6,917	4,297	0	11,214
Site rent and lease	10,701	0	0	10,701
Equipment rental	0	744	0	744
Repairs and maintenance	2,904	7,021	0	9,925
Small equipment	3,755	122	0	3,877
Taxes and licenses	0	393	0	393
Travel and training	754	1,060	0	1,814
Communications	3,702	9,182	0	12,884
Utilities	10,707	6,673	0	17,380
Miscellaneous	0	90	0	90
Total operating expenses	299,805	173,760	102,341	575,906
Depreciation	12,770	6,009	0	18,779
Total expenses	\$ 312,575	\$ 179,769	\$ 102,341	\$ 594,685
Percent of total expenses	53%	30%	17%	100%

See accompanying notes to the financial statements.

**TILlicum FOUNDATION**  
ASTORIA, OREGON

**STATEMENT OF CASH FLOWS**  
For the Years Ended September 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (33,451)	\$ (43,091)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	19,155	18,779
Donated fixed assets	0	(15,000)
Unrealized (gains) losses on investments	44	4,932
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(3,104)	(1,696)
Increase (decrease) in accounts payable	15,039	(11,564)
Increase (decrease) in accrued payroll taxes	(5,168)	979
Increase (decrease) in deferred revenue	8	772
Restricted for long-term purposes:		
Endowment contributions	(19,858)	(1,157)
Endowment interest	(599)	(382)
Net cash from operating activities	(27,934)	(47,428)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Short-term investments, net	(20,114)	456
Purchases of fixed assets	(17,500)	0
Net cash from investing activities	(37,614)	456
Net change in cash and cash equivalents	(65,548)	(46,972)
CASH AND CASH EQUIVALENTS - Beginning of year	381,811	428,783
CASH AND CASH EQUIVALENTS - End of year	\$ 316,263	\$ 381,811

See accompanying notes to the financial statements.

**TILlicum FOUNDATION  
ASTORIA, OREGON**

Notes to the Financial Statements  
For the Years Ended September 30, 2023 and 2022

**NOTE 1 – DESCRIPTION OF ORGANIZATION**

**Nature of Operations**

The Tillicum Foundation (TF), is a nonprofit corporation whose mission is to serve the Lower Columbia Pacific Region through commercial-free community radio programs and services that enrich life by illuminating the role of the arts, promoting cultural and educational growth, and bringing focus to current issues of local and regional public interest while providing a forum for diverse and underserved groups. TF owns and operates KMUN 91.9FM in Astoria, Oregon, KTCB 89.5FM in Tillamook, Oregon, and KCPB 90.9FM in Warrenton, Oregon, collectively known as Coast Community Radio. TF is the only non-commercial, local community radio serving the coastal areas of northwest Oregon and southwest Washington, and derives its revenue primarily through grants, contributions, membership dues, radio program underwriting and fundraising.

**Description of Programs**

**Radio Program**

TF is committed to using radio as an active resource for community development and public access seeking to involve and establish cooperative efforts among community groups including seniors, women, young people, and ethnic and cultural minorities. KMUN first signed on the air on April 17, 1983. KMUN broadcasts 5,000 watts of power at 91.9 MHz from its main transmitter on Megler Mountain in Chinook, WA, 250 watts at 89.3 MHz from translators located in Cannon Beach and 104.3 MHz in Wheeler, and 10 watts at 91.3 MHz from a translator serving south Astoria. KTCB came on the air in 2005 and broadcasts 400 watts of power at 89.5 MHz from Cape Meares serving Tillamook County, Oregon. KCPB began broadcasting on April 17, 2006 due to community requests for more national news and classical music programming. KCPB was expanded in 2010 to reach more of the coast and inland areas as well.

**Management and General**

Includes the functions necessary to maintain TF's support program; ensure an adequate working environment; provide coordination and articulation of TF's program strategy through the office of the executive director; secure proper administrative functioning of the board of directors; maintain competent legal services for the administration of TF; and manage the financial and budgetary responsibilities of TF.

**Fundraising**

Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and businesses.

**Tax Status**

TF has been determined to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. TF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). With few exceptions, TF is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before October 1, 2019.

**TILlicum FOUNDATION  
ASTORIA, OREGON**

Notes to the Financial Statements  
For the Years Ended September 30, 2023 and 2022

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

TF prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (US GAAP) for nonprofit entities. The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other accruals in accordance with US GAAP.

**Contributions**

Contributions are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor.

**Net Assets**

The financial statements report Net Assets and Changes in Net Assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

**Net assets without donor restrictions**

Net assets without donor restrictions are resources available to support operations.

**Net assets with donor restrictions**

Net assets with donor restrictions are resources that are restricted by donors for use for specified purposes or in certain future periods. TF must continue to use the resources in accordance with the donors' instructions. When donors' restrictions are satisfied, either by using the resources in the manner specified by the donors or by the passage of time, the expiration of the restrictions are reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. TF's unspent contributions are included in this class if the donors limited their use. Activity for TF's restricted grants and contributions are detailed in Note 8.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of purchase.

**Investments**

Investments in stocks are carried at fair value in the statement of Financial Position. Investment income or loss (including gains and losses on investments, interest, and dividends) are included in the statement of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted by donor or law. Investment income or loss that is limited to specific uses by donor-imposed restrictions may be reported as increases or decreases in unrestricted net assets if the restrictions are met in the same reporting period as the income or loss is recognized. Investment income, including realized and unrealized gains from pooled investments, is allocated annually to various restricted or designated funds, when required.

**TILlicum FOUNDATION  
ASTORIA, OREGON**

Notes to the Financial Statements  
For the Years Ended September 30, 2023 and 2022

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Endowment**

TF's endowment consists of one individual fund established by resources set aside by the board of directors to function as an endowment (referred as board-designated endowment funds). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, TF classifies as donor restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, TF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of various funds, (2) the purpose of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from investments and the appreciation of investments, (6) other resources of TF, and (7) the TF's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies*

TF has not yet adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. TF has not specified an annual rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy*

TF's spending policies have not been adopted.

**Accounts Receivable**

Accounts receivable consist of billings for underwriting radio programming. Receivables are reported at the amount anticipated to be collected at year end. The direct write-off method is utilized.

**Fixed Assets**

Purchases of fixed assets costing \$2,500 or more are capitalized. Donated fixed assets valued at \$2,500 or more are capitalized and recorded at fair value at the time of receipt. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the fiscal year of disposal. Depreciation is calculated utilizing the straight-line method over the estimated useful lives of the assets that range from 3 to 7 years for equipment and software and 10 to 40 years for buildings and improvements.

**TILLICUM FOUNDATION  
ASTORIA, OREGON**

Notes to the Financial Statements  
For the Years Ended September 30, 2023 and 2022

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Revenue Recognition – Contributions In-kind**

TF sometimes receives contributions in a form other than cash. Donated supplies are recorded as contributions at the date of the gift and as expenses when the donated items are placed into service or distributed. If TF receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meets TF's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair similar space for rent under similar conditions.

TF benefits from personal services provided by many volunteers. Those volunteers have donated regular amounts of time and services in TF's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. TF records the fair value of contributed services in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills; are provided by persons possessing those skills; and would need to be purchased if they were not donated as required by ASC 958.

**Expense Recognition and Allocation**

The cost of providing TF's programs and other activities is summarized on a functional basis in the Statement of Functional Expenses.

- Expenses that can be identified with a specific program or support service are recorded under Program Services.
- Management and General Expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of TF.
- Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied, as follows:

- Salaries, wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Insurance, some supplies, and miscellaneous expenses that cannot be directly identified are allocated on a percentage basis for each program and supporting activity based on historical data.
- Occupancy costs such as utilities, depreciation, and interest are allocated based on the actual costs per square foot of the buildings and land in use.

Advertising costs are expensed as incurred.

**TILlicUM FOUNDATION  
ASTORIA, OREGON**

Notes to the Financial Statements  
For the Years Ended September 30, 2023 and 2022

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, TF's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. TF's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September:

Financial assets	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 316,263	\$ 381,811
Accounts receivable	8,027	4,923
Investment	23,866	2,851
Endowment	<u>40,079</u>	<u>20,567</u>
Total financial assets	<u>388,235</u>	<u>410,152</u>
Less restricted and designated		
Restricted cash	(5,000)	(28,421)
Designated cash	(184,246)	(133,408)
Endowment	<u>(40,079)</u>	<u>(20,567)</u>
Total restricted financial assets	<u>(229,325)</u>	<u>(182,396)</u>
Amount available for general expenditures within one year	<u>\$ 158,910</u>	<u>\$ 227,756</u>

The above table lists restricted cash as unavailable because the donors of these funds restricted them for specific purposes. TF has designated cash which may be redirected as the board of directors sees fit. Designated is \$162,396 as a reserve to draw on if needed for operations and \$21,850 for Health Reimbursement Arrangement (HRA) plan.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents consisted of the following at September 30, 2023 and 2022:

	Without Donor	With Donor	
September 30, 2023	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Deposits with financial institutions	\$ 300,126	\$ 5,000	\$ 305,126
Cash on hand	11,137	0	11,137
Total cash and cash equivalents	<u>\$ 311,263</u>	<u>\$ 5,000</u>	<u>\$ 316,263</u>

**TILlicum FOUNDATION  
ASTORIA, OREGON**

Notes to the Financial Statements  
For the Years Ended September 30, 2023 and 2022

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
September 30, 2022			
Deposits with financial institutions	\$ 349,183	\$ 28,421	\$ 377,604
Cash on hand	4,207	0	4,207
Total cash and cash equivalents	<u>\$ 353,390</u>	<u>\$ 28,421</u>	<u>\$ 381,811</u>

TF's total deposits with financial institutions, excluding reconciling items, total \$370,428 and \$376,271 at September 30, 2023 and 2022, respectively. All deposits were covered by federal depository insurance (FDIC) at each fiscal year end.

**Investments**

Investments as of Sept 30:

	<u>2023</u>	Restated <u>2022</u>	<u>Fair Value Measurements</u>
Board Designated			
Equities	\$ 20,260	\$ 2,329	Level 1
Money market funds	21,351	1,184	Level 1
Mutual funds	22,334	19,905	Level 1
Total investments	<u>\$ 63,945</u>	<u>\$ 23,418</u>	

Money market funds are designated for long-term purposes, and therefore reported separately from cash and cash equivalents.

Investments at September 30, 2023 include:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities	\$ 21,883	\$ 20,260	\$ (1,623)
Money market funds	21,351	21,351	0
Mutual funds	25,649	22,334	(3,315)
Total investments	<u>\$ 68,883</u>	<u>\$ 63,945</u>	<u>\$ (4,938)</u>

Investments at September 30, 2022 include:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities	\$ 2,025	\$ 2,329	\$ 304
Money market funds	1,184	1,184	0
Mutual funds	25,108	19,905	(5,203)
Total investments	<u>\$ 28,317</u>	<u>\$ 23,418</u>	<u>\$ (4,899)</u>

Investments are valued using fair value measurement inputs (Level 1) at the reporting dates indicated above. The Level 1 input used for valuation, where indicated, consisted of quoted prices in active markets for identical assets. TF does not have an investment policy at this time.



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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued**

Investment income for the year ended September 30, 2023 consisted of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest	\$ 149	\$ 599	\$ 748
Net unrealized gains/(losses)	<u>901</u>	<u>(945)</u>	<u>(44)</u>
Total investment income	<u>\$ 1,050</u>	<u>\$ (346)</u>	<u>\$ 704</u>

Investment income for the year ended September 30, 2022 consisted of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest	\$ 76	\$ 382	\$ 458
Net unrealized gains/(losses)	<u>(163)</u>	<u>(4,769)</u>	<u>(4,932)</u>
Total investment income	<u>\$ (87)</u>	<u>\$ (4,387)</u>	<u>\$ (4,474)</u>

TF's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets should mitigate the impact of changes in any one class.

**NOTE 5 – CONCENTRATIONS**

Concentration of types of support and revenues are as follows:

	<u>2023</u>	<u>% of Total</u>	<u>2022</u>	<u>% of Total</u>
Membership	\$ 273,371	42.67%	\$ 265,614	48.15%
Underwriting/advertising	120,613	18.82%	99,090	17.96%
Sales and rentals	34,087	5.32%	15,558	2.82%
Grants	149,137	23.28%	145,813	26.43%
Contributions	36,071	5.63%	28,193	5.11%
Other revenue	<u>27,427</u>	<u>4.28%</u>	<u>(2,674)</u>	<u>-0.47%</u>
Total support and revenues	<u>\$ 640,706</u>	<u>100.00%</u>	<u>\$ 551,594</u>	<u>100.00%</u>

**NOTE 6 – FIXED ASSETS**

The components of fixed assets consisted of the following at September 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 35,044	\$ 35,044
Building	213,823	213,823
Equipment	628,994	611,494
Software	<u>5,466</u>	<u>5,466</u>
Fixed assets at cost	<u>883,327</u>	<u>865,827</u>
Less: Accumulated depreciation	<u>(660,450)</u>	<u>(641,295)</u>
Net fixed assets	<u>\$ 222,877</u>	<u>\$ 224,532</u>

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**NOTE 7 – ENDOWMENT**

Changes in endowment net assets for the fiscal years ended September 30, 2023 and 2022:

2023 Endowment	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 20,567	\$ 20,567
Investment return, net	0	(346)	(346)
Contributions	0	<u>24,858</u>	24,858
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 45,079</u>	<u>\$ 45,079</u>
 2022 Endowment	 Without Donor Restrictions	 With Donor Restrictions	 <u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 23,797	\$ 23,797
Investment return, net	0	(4,387)	(4,387)
Contributions	0	<u>1,157</u>	<u>1,157</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 20,567</u>	<u>\$ 20,567</u>

As of September 30, 2023 and 2022 endowment net asset composition was as follows:

	<u>2023</u>	<u>2022</u>
Donor-restricted		
Original gift and amounts required to be maintained in perpetuity	\$ 51,287	\$ 24,953
Accumulated investment gains/(losses)	<u>(6,208)</u>	<u>(4,386)</u>
Endowment net assets, end of year	<u>\$ 45,079</u>	<u>\$ 20,567</u>

**NOTE 8 - NET ASSETS**

**WITHOUT DONOR RESTRICTIONS - DESIGNATED**

The board has designated funds for certain purposes as follows at September 30, 2023 and 2022:

Designation	<u>2023</u>	<u>2022</u>
Contingency reserve	\$ 162,396	\$ 120,616
HRA plan	<u>21,850</u>	<u>12,792</u>
Total net assets with donor restrictions	<u>\$ 184,246</u>	<u>\$ 133,408</u>

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**NOTE 8 - NET ASSETS - Continued**

**WITH DONOR RESTRICTIONS**

Net assets with donor restrictions have been restricted by donors for certain purposes as follows at September 30, 2023 and 2022:

Restriction	<u>2023</u>	<u>2022</u>
Fisher Poets Gathering	\$ 0	\$ 22,421
CCHS Grant	0	6,000
Endowment	<u>45,079</u>	<u>20,567</u>
Total net assets with donor restrictions	<u>\$ 45,079</u>	<u>\$ 48,988</u>

In fiscal year 2023, the remaining balance of funds restricted for Fisher Poets Gathering was disbursed to a separate nonprofit organization in the amount of \$20,987.

**NOTE 9 - OPERATING LEASES**

TF entered into a Tower Site Lease Agreement to lease facilities to Educational Media Foundation on July 1, 2018. The lease has an initial term of five years commencing on July 1, 2018, and automatically renews for three additional five-year terms; thereafter the lease will continue as a month-to-month tenancy. Rent is due monthly starting at \$300 and increases three percent (3%) each year during the term of the lease. In addition, the lessee pays \$250 per month to reimburse the cost of utilities. Total lease payments received in fiscal years 2023 and 2022 for rent and utilities were \$7,092 and \$6,973, respectively. Future minimum lease payments for rent only are as follows:

<u>FY</u>	<u>Amount</u>
2024	\$ 4,205
2025	4,331
2026	4,461
2027	4,595
2028	4,732
2029-2033	25,878
2034-2038	<u>28,375</u>
Total	<u>\$ 76,577</u>

TF has an agreement to lease space on their backup antenna tower at Megler Mountain to Oregon Public Broadcasting. The initial term of the lease was five years from January 20, 2016 to January 19, 2021, and was renewed for an additional five years through January 19, 2026. Rent is due annually on January 20, and increases 3% each year. Total lease payments received in fiscal years 2023 and 2022 were \$6,784 and \$6,586, respectively. Future minimum lease payments are as follows:

<u>FY</u>	<u>Amount</u>
2024	\$ 6,987
2025	<u>7,197</u>
Total	<u>\$ 14,184</u>

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**NOTE 9 - OPERATING LEASES - Continued**

TF also has an agreement to lease space on the KMUN tower and transmitter building in Astoria, Oregon to Columbia River Pilots. The term of the lease is five years from August 1, 2023 to July 31, 2028. Rent is due in advance by June 21 of each year. Total lease payments received in fiscal years 2023 and 2022 were \$3,600 and \$0, respectively. Future minimum lease payments are as follows:

FY	<u>Amount</u>
2024	\$ 3,600
2025	3,600
2026	3,600
2027	<u>3,600</u>
Total	<u>\$ 14,400</u>

TF leases tower space under an agreement with SBA GC Towers LLC that renews annually. Rent is due quarterly and increases 5% each calendar year; the annual amount may also be adjusted for any increases in property taxes on the site. Total lease payments for the years ended September 30, 2023 and 2022 were \$11,236 and \$10,701, respectively.

**NOTE 10 - SPECIAL EVENTS**

Proceeds from special fundraising events held in fiscal 2023 totaled \$3,859, and related expenses were \$5,219, resulting in net loss of \$1,360.

TF held one special fundraising event in fiscal 2022, a concert featuring John Gorka. Proceeds from the event were \$1,975, and related expenses were \$1,553, resulting in net income for the event of \$422.

**NOTE 11 - SALES AND COST OF SALES**

TF receives clothing and other items donated by various entities or individuals for resale. Gross sales of this merchandise totaled \$14,909 and \$1,879 for the years ended September 30, 2023 and 2022, respectively.

Donated merchandise is typically immaterial and was not recorded as contributions in-kind and inventory during these fiscal years. Management will reevaluate its policies regarding contributions in-kind and inventory if sales and donated merchandise continue to increase.

**NOTE 12 - CONCENTRATIONS OF RISK**

The majority of TF's contributions and grants are received from individuals, foundations, and businesses located in the greater Astoria metropolitan area. As such, TF's ability to generate resources via contributions and grants is dependent upon the economic health of that area and the counties of Clatsop and Tillamook. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for TF's services.

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**NOTE 12 - CONCENTRATIONS OF RISK - Continued**

Amounts received or receivable from grantor agencies could be subject to audit and adjustments by grantor agencies. Any disallowed costs, including amounts already collected, may constitute a liability of TF. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time.

For the years ended September 30, 2023 and 2022, grants from the Corporation for Public Broadcasting were approximately 22% and 26%, respectively, of TF's total revenues.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 16, 2024, the date on which the financial statements were available to be issued.