

# TheTekkitRealm Financial Report

10/1/2019

## **Abstract**

Our responsibility is to express an opinion on the consolidated financial statements based on our donors. We conducted our report in accordance with standards generally accepted in the United States of America. Those standards require that we plan and perform the report to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

## **REPORT NOTES**

TheTekkitRealm (“TTR” or “The Tekkit Realm”) is a private, not-for-profit educational and entertainment brand. It currently accumulates about 3,520,000 unique visitors monthly and generates approximately 2,700 donations, support funds, and super chats every 30 days. Approximately 80% of donors are from the United States of America. International donations comprise approximately 22% of fun funding, 65% of charitable donors and 57% of anonymous donors.

### **Income and net gains and losses on investments are reported as follows:**

- As changes in permanently restricted net assets, if so restricted by donor;
- As changes in temporarily restricted net assets, if the terms of the gift or relevant state law impose restrictions on the use of the income or gains and losses; and
- As changes in unrestricted net assets, in all other cases.

## **Reclassifications**

Certain prior year amounts have been reclassified to conform with the current year's presentation.

## **Cash Equivalents**

Cash equivalents include highly liquid investments with original maturities of three months or less when purchased. Cash equivalents are recorded at cost which approximates fair value. These balances are held by the prime brokers, clearing agents and banking institutions for investment and working capital purposes.

## **Investments**

Debt and equity securities held by TheTekkitRealm are carried at fair value as established by the major securities markets with gains and losses reported in the Consolidated Statements of Activities. The alternative investments are carried at estimated fair value. TheTekkitRealm reviews and evaluates the values provided by the investment managers and agrees with valuation methods and assumptions used in determining the fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. Note 7 provides additional information about inputs used to determine fair value for investments. Investments received as a gift are reflected as contributions at their fair value at the date of the gift.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, changes could materially affect the amounts reported in the Consolidated Statements of Financial Position.

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<b>Assets</b>		
Network ad revenue <i>(Note 2)</i>	8,288	7,520
Accrued interest and dividends	1,521	1,771
Accounts receivable, net <i>(Note 3)</i>	61,222	61,621
Pledges receivable, net <i>(Note 4)</i>	122,893	118,914
Super Chat receivable, net <i>(Note 3)</i>	1,469	1,721
Investments <i>(Note 5 and Note 7)</i>	25,406	24,619
Assets held in trust by others <i>(Note 7)</i>	11,066	10,710
Prepaid expenses and other assets <i>(Note 2)</i>	46,983	49,261
Land, buildings and equipment, net <i>(Note 9)</i>	9,934	8,636
<b>Total assets</b>	<b>\$288,782</b>	<b>\$284,773</b>
<b>Liabilities</b>		
Accounts payable and other liabilities <i>(Note 2)</i>	20,082	20,805
Deferred revenue	10,779	10,409
Content funds	1,828	1,785
Present value of split interest agreements payable	17,028	13,512
Debt obligations <i>(Note 10)</i>	56,290	50,478
Total liabilities	\$106,007	\$96,989
<b>Net assets</b>		
Unrestricted	\$464,533	\$275,211
Temporarily restricted <i>(Note 11)</i>	844,803	807,491
Permanently restricted <i>(Note 11)</i>	881,434	811,579
Total net assets	\$1,190,770	\$1,894,281
<b>Total Accumulated liabilities and net</b>	<b>\$1,475,777</b>	<b>\$1,412,270</b>

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

### CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended June 30, 2018 (dollars in thousands)



	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and other support</b>				
Employee salary	\$5,351	\$ -	\$ -	\$5,351
Sponsored projects revenue <i>(Note 8)</i>	3,473	-	-	3,473
Investment income <i>(Note 5)</i>	55,026	11,006	280	66,312

