# WHYY, Inc.

Financial Statements
and Supplementary Information

Years Ended June 30, 2019 and 2018

# WHYY, Inc.

Financial Statements

Years Ended June 30, 2019 and 2018

WHYY, Inc.

## Contents

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## Independent Auditor's Report

The Board of Directors
WHYY, Inc.
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of WHYY, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

*Management's Responsibility 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; this includes 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.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WHYY, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 28 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

Philadelphia, Pennsylvania
December 17, 2019

# Financial Statements

# WHYY, Inc.

## Statements of Financial Position

| *June 30,* | | 2019 | | 2018 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current Assets** | | | | |
| Cash | **$** | **2,823,801** | $ | 1,063,116 |
| Contributions receivable, net | | **5,269,519** | | 4,806,310 |
| Accounts receivable, net of allowance for doubtful accounts of $140,000 and $90,000 in 2019 and 2018, respectively | | **1,690,926** | | 1,980,545 |
| Unbilled project revenue | | **4,449,427** | | 3,148,045 |
| Deferred project costs | | **93,597** | | 95,119 |
| Prepaid expenses and other current assets | | **234,129** | | 135,310 |
| Inventory | | **51,988** | | 63,980 |
| **Total Current Assets** | | **14,613,387** | | 11,292,425 |
| **Property and Equipment, Net** | | **14,909,698** | | 14,215,673 |
| **Other Assets** | | | | |
| Contributions receivable | | **709,523** | | 1,187,207 |
| Investments | | **21,510,048** | | 20,391,910 |
| Grant Receivable, Commonwealth of Pennsylvania | | **702,000** | | - |
| Unbilled project revenue | | **-** | | 35,000 |
| Beneficial interest in perpetual trusts | | **585,694** | | 587,898 |
| Broadcast licenses | | **1,148,072** | | 1,148,072 |
| **Total Other Assets** | | **24,655,337** | | 23,350,087 |
| **Total Assets** | **$** | **54,178,422** | $ | 48,858,185 |
| **Liabilities and Net Assets** | | | | |
| Current Liabilities | | | | |
| Accounts payable | **$** | **817,265** | $ | 1,206,806 |
| Accrued expenses and other current liabilities | | **3,094,854** | | 2,416,901 |
| Deferred revenue | | **901,319** | | 669,612 |
| Current portion of: | | | | |
| Obligation under capital lease | | **-** | | 4,731 |
| Long-term debt | | **135,552** | | 130,186 |
| **Total Current Liabilities** | | **4,948,990** | | 4,428,236 |
| **Long-Term Liabilities** | | | | |
| Deferred revenue | | **425,157** | | 437,491 |
| Lines of credit, bank | | **335,785** | | 28,467 |
| Long-term debt, net | | **4,664,633** | | 4,795,367 |
| **Total Long-Term Liabilities** | | **5,425,575** | | 5,261,325 |
| **Total Liabilities** | | **10,374,565** | | 9,689,561 |
| **Commitments and Contingencies** | | | | |
| **Net Assets** | | | | |
| Without donor restrictions | | **31,917,807** | | 29,465,847 |
| With donor restrictions | | **11,886,050** | | 9,702,777 |
| **Total Net Assets** | | **43,803,857** | | 39,168,624 |
| **Total Liabilities and Net Assets** | **$** | **54,178,422** | $ | 48,858,185 |

*See accompanying notes to financial statements*

# WHYY, Inc.

## Statement of Activities and Changes in Net Assets

| *Year ended June 30, 2019* | Without Donor Restictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Operating Revenue and Support** | | | |
| Support: | | | |
| Commonwealth of Pennsylvania | $ 107,143 | $ - | $ 107,143 |
| State of Delaware | 175,000 | - | 175,000 |
| Corporation for Public Broadcasting | 2,234,976 | 744,992 | 2,979,968 |
| **Total Support** | 2,517,119 | 744,992 | 3,262,111 |
| Contributions and revenue: | | | |
| Memberships and other contributions | 18,119,783 | 23,864 | 18,143,647 |
| Program contracts and grants | 6,372,363 | 6,946,037 | 13,318,400 |
| Program underwriting | 5,429,661 | - | 5,429,661 |
| In-kind income | 233,571 | - | 233,571 |
| Realized and unrealized gains from investments | 923,493 | 132,817 | 1,056,310 |
| Interest and dividends | 396,099 | 68,774 | 464,873 |
| Change in value of beneficial interest in perpetual trusts | - | (2,204) | (2,204) |
| Other | 762,831 | 14,942 | 777,773 |
| Net assets released from restrictions | 5,745,949 | (5,745,949) | - |
| **Total Contributions and Revenue** | 37,983,750 | 1,438,281 | 39,422,031 |
| **Total Support, Contributions and Revenue** | 40,500,869 | 2,183,273 | 42,684,142 |
| **Expenses** | | | |
| Program services: | | | |
| Production and broadcasting | 27,393,343 | - | 27,393,343 |
| Supporting services: | | | |
| General and administrative | 2,077,889 | - | 2,077,889 |
| Fundraising | 8,577,677 | - | 8,577,677 |
| **Total Supporting Services** | 10,655,566 | - | 10,655,566 |
| **Total Expenses** | 38,048,909 | - | 38,048,909 |
| **Change in Net Assets** | 2,451,960 | 2,183,273 | 4,635,233 |
| **Net Assets**, beginning of year | 29,465,847 | 9,702,777 | 39,168,624 |
| **Net Assets**, end of year | $ 31,917,807 | $ 11,886,050 | $ 43,803,857 |

*See accompanying notes to financial statements*

# WHYY, Inc.

## Statement of Activities and Changes in Net Assets

| *Year ended June 30, 2018* | Without Donor Restictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Operating Revenue and Support** | | | |
| Support: | | | |
| Commonwealth of Pennsylvania | $ 35,714 | $ - | $ 35,714 |
| State of Delaware | 140,000 | - | 140,000 |
| Corporation for Public Broadcasting | 2,115,819 | 705,273 | 2,821,092 |
| **Total Support** | 2,291,533 | 705,273 | 2,996,806 |
| Contributions and revenue: | | | |
| Memberships and other contributions | 17,512,628 | 1,439,956 | 18,952,584 |
| Program contracts and grants | 5,129,085 | 3,928,287 | 9,057,372 |
| Program underwriting | 5,745,572 | - | 5,745,572 |
| In-kind income | 215,886 | - | 215,886 |
| Realized and unrealized gains from investments | 681,169 | 216,101 | 897,270 |
| Interest and dividends | 293,331 | 54,990 | 348,321 |
| Change in value of beneficial interest in perpetual trusts | - | 22,620 | 22,620 |
| Other | 497,185 | 14,549 | 511,734 |
| Net assets released from restrictions | 6,299,341 | (6,299,341) | - |
| **Total Contributions and Revenue** | 36,374,197 | (622,838) | 35,751,359 |
| **Total Support, Contributions and Revenue** | 38,665,730 | 82,435 | 38,748,165 |
| **Expenses** | | | |
| Program services: | | | |
| Production and broadcasting | 26,144,762 | - | 26,144,762 |
| Supporting services: | | | |
| General and administrative | 2,088,131 | - | 2,088,131 |
| Fundraising | 8,183,102 | - | 8,183,102 |
| **Total Supporting Services** | 10,271,233 | - | 10,271,233 |
| **Total Expenses** | 36,415,995 | - | 36,415,995 |
| **Change in Net Assets** | 2,249,735 | 82,435 | 2,332,170 |
| **Net Assets**, beginning of year | 27,216,112 | 9,620,342 | 36,836,454 |
| **Net Assets**, end of year | $ 29,465,847 | $ 9,702,777 | $ 39,168,624 |

*See accompanying notes to financial statements*

# WHYY, Inc.

## Statements of Cash Flows

| *Years ended June 30,* | | **2019** | | 2018 |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Change in net assets | **$** | **4,635,233** | $ | 2,332,170 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | | | |
| Depreciation expense | | **919,042** | | 892,447 |
| Loss on disposal of property and equipment | | **-** | | 36,990 |
| Amortization of deferred financing costs | | **4,818** | | 4,819 |
| Realized and unrealized gains from investments | | **(1,056,312)** | | (897,270) |
| Change in fair value of beneficial interest in perpetual trusts | | **2,204** | | (22,620) |
| Provision for uncollectible contributions | | **114,398** | | 221,265 |
| Bad debt expense | | **50,000** | | 89,598 |
| Other income | | **(141,660)** | | (141,660) |
| Changes in: | | | | |
| Contributions receivable | | **(99,923)** | | (1,392,519) |
| Grants receivable, Commonwealth of Pennsylvania | | **(702,000)** | | 500,000 |
| Accounts receivable | | **239,619** | | 7,204,225 |
| Unbilled project revenue | | **(1,266,382)** | | (7,246) |
| Deferred project costs | | **1,522** | | (52,567) |
| Prepaid expenses and other current assets | | **(98,819)** | | (15,755) |
| Inventory | | **11,992** | | (917) |
| Accounts payable | | **(389,541)** | | 859,054 |
| Accrued expenses and other current liabilities | | **677,953** | | 25,468 |
| Deferred revenue | | **361,033** | | 645,475 |
| Net cash provided by operating activities | | **3,263,177** | | 10,280,957 |
| **Cash Flows from Investing Activities** | | | | |
| Purchases of investments | | **(782,372)** | | (9,701,787) |
| Sales of investments | | **720,546** | | 1,323,204 |
| Purchases of property and equipment | | **(1,613,067)** | | (836,173) |
| Net cash utilized by investing activities | | **(1,674,893)** | | (9,214,756) |
| **Cash Flows from Financing Activities** | | | | |
| Net borrowings on lines of credit | | **307,318** | | 28,467 |
| Principal payments under capital lease obligation | | **(4,731)** | | (17,936) |
| Principal payments on long-term debt | | **(130,186)** | | (625,033) |
| Net cash provided (utilized) by financing activities | | **172,401** | | (614,502) |
| **Net Increase in Cash** | | **1,760,685** | | 451,699 |
| **Cash**, beginning of year | | **1,063,116** | | 611,417 |
| **Cash**, end of year | **$** | **2,823,801** | $ | 1,063,116 |
| **Supplemental Disclosure of Cash Flow Information** | | | | |
| Interest paid in 2019 and 2018 | **$** | **233,914** | $ | 250,585 |

**Supplemental Disclosure of Cash Flow of Noncash Investing Activities**

During 2018, in connection with the sale of a building, WHYY disposed of $3,126,860 of property and equipment with a net book value of $36,990.

*See accompanying notes to financial statements*

# WHYY, Inc.

## Statement of Functional Expenses

| *Year ended June 30, 2019* | Program Services<br>Production and Broadcasting | Supporting Services<br>General and Administrative | Fundraising | Total Supporting Services | Total Expenses |
|---|---|---|---|---|---|
| Salaries and related expenses | $ 13,712,394 | $ 1,487,401 | $ 3,545,286 | $ 5,032,687 | $ 18,745,081 |
| Consulting and professional fees | 338,157 | 109,906 | 376,655 | 486,561 | 824,718 |
| Building maintenance and operations | 382,168 | 21,545 | 40,080 | 61,625 | 443,793 |
| Direct marketing expenses | - | - | 1,325,224 | 1,325,224 | 1,325,224 |
| In-kind | - | - | 233,571 | 233,571 | 233,571 |
| Insurance | 93,373 | 25,411 | 6,551 | 31,962 | 125,335 |
| Interest and bank fees | 199,587 | 122,313 | 379,185 | 501,498 | 701,085 |
| Legal fees | 15,297 | 10,331 | - | 10,331 | 25,628 |
| Membership and development expenses | - | - | 1,581,371 | 1,581,371 | 1,581,371 |
| Office expenses and services | 264,281 | 67,335 | 137,305 | 204,640 | 468,921 |
| Other administrative costs | 413,295 | 142,610 | 130,163 | 272,773 | 686,068 |
| Postage and delivery | 3,109 | 2,070 | 485,405 | 487,475 | 490,584 |
| Production and acquisition costs | 8,058,870 | - | - | - | 8,058,870 |
| Public relations and promotion | 1,569,014 | 34,410 | 70,805 | 105,215 | 1,674,229 |
| Telecommunications and technology expenses | 442,738 | 27,744 | 182,361 | 210,105 | 652,843 |
| Transmitter and studio maintenance, supplies, power and rent | 810,895 | - | - | - | 810,895 |
| Travel and business expenses | 171,123 | 26,813 | 83,715 | 110,528 | 281,651 |
| **Total Expenses Before Depreciation** | 26,474,301 | 2,077,889 | 8,577,677 | 10,655,566 | 37,129,867 |
| **Depreciation Expense** | 919,042 | - | - | - | 919,042 |
| **Total Expenses** | $ 27,393,343 | $ 2,077,889 | $ 8,577,677 | $ 10,655,566 | $ 38,048,909 |

*See accompanying notes to financial statements*

# WHYY, Inc.

## Statement of Functional Expenses

| *Year ended June 30, 2018* | Program Services: Production and Broadcasting | Supporting Services: General and Administrative | Supporting Services: Fundraising | Supporting Services: Total Supporting Services | Total Expenses |
|---|---|---|---|---|---|
| Salaries and related expenses | $ 13,011,408 | $ 1,405,922 | $ 3,498,692 | $ 4,904,614 | $ 17,916,022 |
| Consulting and professional fees | 494,734 | 130,294 | 179,243 | 309,537 | 804,271 |
| Building maintenance and operations | 392,517 | 22,233 | 43,931 | 66,164 | 458,681 |
| Direct marketing expenses | - | - | 1,315,196 | 1,315,196 | 1,315,196 |
| In-kind | - | - | 215,886 | 215,886 | 215,886 |
| Insurance | 112,903 | 19,409 | 11,162 | 30,571 | 143,474 |
| Interest and bank fees | 193,675 | 118,654 | 359,572 | 478,226 | 671,901 |
| Legal fees | 11,328 | 34,571 | - | 34,571 | 45,899 |
| Membership and development expenses | - | - | 1,549,992 | 1,549,992 | 1,549,992 |
| Office expenses and services | 509,997 | 105,234 | 109,729 | 214,963 | 724,960 |
| Other administrative costs | 445,364 | 140,389 | 133,367 | 273,756 | 719,120 |
| Postage and delivery | 10,885 | 2,761 | 452,385 | 455,146 | 466,031 |
| Production and acquisition costs | 7,914,009 | 47 | 2,416 | 2,463 | 7,916,472 |
| Public relations and promotion | 771,582 | 5,152 | 12,602 | 17,754 | 789,336 |
| Telecommunications and technology expenses | 395,229 | 31,010 | 217,305 | 248,315 | 643,544 |
| Transmitter and studio maintenance, supplies, power and rent | 875,667 | - | - | - | 875,667 |
| Travel and business expenses | 188,566 | 43,191 | 35,339 | 78,530 | 267,096 |
| **Total Expenses Before Depreciation** | 25,327,864 | 2,058,867 | 8,136,817 | 10,195,684 | 35,523,548 |
| **Depreciation Expense** | 816,898 | 29,264 | 46,285 | 75,549 | 892,447 |
| **Total Expenses** | $ 26,144,762 | $ 2,088,131 | $ 8,183,102 | $ 10,271,233 | $ 36,415,995 |

*See accompanying notes to financial statements*

## 1. Business

WHYY, Inc. (WHYY) is a not-for-profit public broadcasting corporation incorporated in Pennsylvania. WHYY operates WHYY-TV/Channel 12 and WDPB-TV/Channel 64, both licensed in Delaware; WNJB (89.3), WNJM (89.9), WNJN (89.7), WNJS (88.1) and WNJZ (90.3), licensed in New Jersey; WHYY-FM (90.9), licensed in Philadelphia; and Internet web sites at whyy.org and newsworks.org.

## 2. Summary of Significant Accounting Policies

*Basis of Presentation*

The accompanying financial statements are prepared on the accrual basis of accounting.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Net Assets*

The financial statements report revenue, expenses, gains, and losses in one of two classes of net assets – net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.

Donor restricted revenue and net assets may contain donor-imposed restrictions on the use of those assets that either expire with the passage of time or can be otherwise met by WHYY pursuant to the stipulation.

Net assets with donor restrictions may also include donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by WHYY. Investment income and investment gains earned on such net assets are recorded as net assets with donor restrictions until they are transferred to net assets without donor restrictions for use in operations, except for perpetual trusts, as noted below. Investment losses on the investments of a donor restricted endowment fund reduce net assets with donor restrictions to the extent available.

*Contributions*

Contributions, including unconditional promises to give, are recognized as revenue in the period the contribution or promise is received by WHYY. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions received with donor stipulations that limit the use of the donated assets are reported as donor restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same year in which the contribution is received, the contribution is reported as without donor restrictions.

Contributions restricted for the acquisition of property and equipment, which are included in donor restricted revenue, are reclassified to net assets without donor restrictions when the related assets are acquired.

*Contributions and Accounts Receivable*

Contributions and accounts receivable are presented net of the related allowance for doubtful accounts. WHYY provides an allowance for doubtful accounts based on management's estimate of amounts that will ultimately become uncollectible. WHYY's policy is to write-off contributions and accounts receivable balances once management has deemed them to be uncollectible.

*Deferred Project Costs*

Deferred project costs represent costs incurred on productions not yet aired and acquisition fees for which the related programming access period has not yet expired.

*Inventory*

Inventory is stated at the lower of cost or market on a first in, first out basis.

*Property and Equipment*

Purchased assets are recorded at cost, and contributed assets are recorded at fair market value on the date of contribution. Depreciation on purchased assets is calculated using the straight-line method over the estimated useful lives of assets, as follows: buildings and improvements: 15 to 39 years; and transmitting, broadcasting and other equipment: 3 to 10 years. Depreciation on equipment under a non-cancelable capital lease is calculated using the lower of the estimated useful life or the lease term and is included in depreciation expense.

*Deferred Financing Costs*

Deferred financing costs incurred in obtaining debt are amortized to interest expense using the straight-line method, which is not materially different from the effective interest method, over the term of the related debt. Deferred financing costs are included as a reduction of the reportable long-term debt balance on the statements of financial position. Amortization of deferred financing costs was $4,818 and $4,819 for the years ended June 30, 2019 and 2018, respectively.

*Investments* **(see Note 5)**

Investments in marketable securities are recorded at fair value. Donated securities are recorded as contributions at the fair value at time of donation.

WHYY has a long-standing investment policy for all endowment fund investments to produce a predictable stream of funding to programs/operations while seeking to maintain the purchasing power of the assets. Under this policy, as approved by the Board of Directors, the assets are invested in a manner that is intended to produce returns that exceed the 4.5% annual spending policy, while assuming a moderate level of investment risk. Actual returns may vary from the intended results. To satisfy its long-term rate of return objectives, WHYY relies on a total return strategy in which investment returns are achieved through both capital appreciation and investment income. WHYY targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

*Investment Cash / Statement of Cash Flows*

WHYY may have cash temporarily held in an investment account as of the date of the financial statements. Such cash is intended for investment purposes and is not considered cash for purposes of the statement of cash flows.

*Beneficial Interest in Perpetual Trusts*

Under the terms of perpetual trusts held by third parties, WHYY is the beneficiary of income earned by those trust assets for perpetuity. When notified of a trust's existence WHYY will record a donor restricted contribution and an asset equal to the lesser of WHYY's applicable percentage of the fair value of the trust's assets or present value of estimated distribution cash flows. The investment policy of the perpetual trust is determined and administered by third-party trustees. WHYY recorded a decrease in fair value of its share of the assets held in perpetuity of $2,204 for the year ended June 30, 2019 and an increase of $22,620 for the year ended June 30, 2018.

Changes in the fair value of trust assets are recognized as changes in net assets with donor restrictions in the period the change occurs. Income is designated for programming and recorded as investment income without donor restrictions in the period received from the Trustee.

*Broadcast Licenses*

Identifiable intangible assets with indefinite lives consist of certain FCC licenses acquired for the New Jersey Public FM radio stations. Such intangible assets are not amortized but instead are subject to annual impairment tests. There was no indication of impairment on these assets for the years ended June 30, 2019 and 2018.

*In-Kind Support and Expenses*

The statements of activities reflect donated materials, facilities, and contributed services as support and expenses. The computation of the value of the donated materials and facilities is based on estimated fair value. Contributed services are valued using industry guidelines, and services rendered by corporations are valued by those organizations.

*Program Revenue Recognition*

WHYY recognizes revenue and expenses on substantial projects as work progresses. Revenue earned but unbilled at year-end is accrued and classified as unbilled project revenue. Deferred revenue on uncompleted projects represents project billings in excess of cost for which revenue has not been earned as of the statement of financial position date.

*Advertising Costs*

WHYY expenses advertising costs as incurred. For the years ended June 30, 2019 and 2018, such expenses were approximately $2,437,391 and $1,675,775 respectively.

*Functional Expense*

The costs of providing the various programs and other activities of WHYY have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated in the statement of functional expenses among the programs and supporting services benefited. Where an allocation occurs, management's methodology is primarily based on an estimate of personnel time spent in each of the functional categories. Insurance and interest and bank fees are allocated based on square footage utilized in each of the functional categories.

*Accounting Pronouncements Adopted*

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and " net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expiration of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that non-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The standard was effective for WHYY in 2019. WHYY has adopted this ASU and has applied all applicable changes retrospectively to all periods presented except disclosures around liquidity and availability of resources.

## 3. Concentrations

*Cash*

WHYY maintains its cash in interest-bearing accounts at a commercial bank. Such accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation. WHYY may, at times, exceed the insured limit, but has not experienced any losses in such accounts. WHYY believes it is not exposed to any significant credit risk on uninsured cash.

*Contributions Receivable*

At June 30, 2019 and 2018, approximately 16% and 25%, respectively, of contributions receivable were from one donor.

## 4. Property and Equipment

Property and equipment consist of the following at June 30:

| | 2019 | 2018 |
|---|---|---|
| Land | $ 1,543,979 | $ 1,543,979 |
| Building and improvements | 20,777,766 | 20,669,549 |
| Transmitting, broadcasting and other equipment | 19,334,312 | 17,829,462 |
| | 41,656,057 | 40,042,990 |
| Less accumulated depreciation | (26,746,359) | (25,827,317) |
| Net property and equipment | $ 14,909,698 | $ 14,215,673 |

Depreciation amounted to $919,042 and $892,447 for the years ended June 30, 2019 and 2018, respectively.

## 5. Investments

The nature and fair value (see Note 6) of WHYY's investments at June 30, 2019 and 2018 are summarized as follows:

| | 2019 | 2018 |
|---|---|---|
| Money market funds | $ 1,488,076 | $ 1,639,604 |
| Equities | 1,001,216 | 853,625 |
| Mutual and exchange traded funds | 14,215,213 | 13,644,781 |
| Fixed income | 4,805,543 | 4,253,900 |
| Total | $ 21,510,048 | $ 20,391,910 |

WHYY's investment activity resulted in net realized and unrealized gains of $1,056,310 and $897,270 for the years ended June 30, 2019 and 2018, respectively. Interest and dividend income from investment activity, net of investment expenses, were $464,873 and $348,321 for the years ended June 30, 2019 and 2018, respectively.

WHYY invests in various investment securities which are exposed to various risks, such as interest rates, credit and market volatility. 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 statements of financial position and statements of activities (see Note 2 – Investments).

## 6. Fair Value of Financial Instruments

WHYY accounts for the fair value of its financial instruments in accordance with the guidance in ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

*Level 1:* Inputs are quoted prices in active markets for identical assets or liabilities.

*Level 2:* Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.

*Level 3:* Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

WHYY uses appropriate valuation techniques based on the available inputs to measure the fair value of its investment portfolio. When available, WHYY measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are derived principally from or corroborated by observable market data by correlation or other means. The following is a description of the valuation methodologies used for investments measured at fair value as of June 30, 2019 and 2018:

*Level 1 Fair Value Measurements*

Money market funds, common stock, exchange traded funds, mutual funds, and short term debt securities are valued at the closing price reported on the active market on which the individual funds are traded.

*Level 2 Fair Value Measurements*

Corporate debt securities represent bonds that are sold in a dealer market that trade upon a bid-ask spread. These securities are valued using pricing matrixes.

*Level 3 Fair Value Measurements*

Beneficial interest in perpetual trusts are valued based on the lesser of WHYY's applicable percentage of the fair value of the trust's assets or the present value of the estimated distribution cash flows of the trusts using a series of annuity payments in perpetuity using a discount rate based on the estimated rate of return and projected growth of the underlying assets held by the third party.

The following tables sets forth by level, within the fair value hierarchy, WHYY's assets measured at fair value on a recurring basis at June 30, 2019 and 2018:

| *June 30, 2019* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | **$ 1,488,076** | **$ -** | **$ -** | **$ 1,488,076** |
| Equities | **1,001,216** | **-** | **-** | **1,001,216** |
| Mutual and exchange traded funds: | | | | |
| Blended – equities/bonds | **6,853,613** | **-** | **-** | **6,853,613** |
| Emerging markets | **422,097** | **-** | **-** | **422,097** |
| International blend | **381,848** | **-** | **-** | **381,848** |
| International developed | **473,026** | **-** | **-** | **473,026** |
| Large cap | **5,372,798** | **-** | **-** | **5,372,798** |
| Mid cap | **43,709** | **-** | **-** | **43,709** |
| Small cap | **501,650** | **-** | **-** | **501,650** |
| REIT funds | **166,472** | **-** | **-** | **166,472** |
| Fixed income: | | | | |
| Bond funds | **4,161,660** | **-** | **-** | **4,161,660** |
| Corporate bonds and notes | **-** | **417,689** | **-** | **417,689** |
| Municipal bonds & notes | **25,267** | **-** | **-** | **25,267** |
| Inflation linked bond funds | **51,970** | **-** | **-** | **51,970** |
| U.S. Treasury bonds & notes | **148,957** | **-** | **-** | **148,957** |
| Beneficial interest in perpetual trust | **-** | **-** | **585,694** | **585,694** |
| **Total Assets at Fair Value** | **$21,092,359** | **$ 417,689** | **$ 585,694** | **$22,095,742** |

| *June 30, 2018* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 1,639,604 | $ - | $ - | $ 1,639,604 |
| Equities | 853,625 | - | - | 853,625 |
| Mutual and exchange traded funds: | | | | |
| Blended – equities/bonds | 6,522,488 | - | - | 6,522,488 |
| Emerging markets | 377,365 | - | - | 377,365 |
| International blend | 391,079 | - | - | 391,079 |
| International developed | 623,006 | - | - | 623,006 |
| Large cap | 5,006,577 | - | - | 5,006,577 |
| Mid cap | 43,826 | - | - | 43,826 |
| Small cap | 511,108 | - | - | 511,108 |
| REIT funds | 169,332 | - | - | 169,332 |
| Fixed income: | | | | |
| Bond funds | 3,644,095 | - | - | 3,644,095 |
| Corporate bonds and notes | - | 403,736 | - | 403,736 |
| Municipal bonds and notes | 23,888 | - | - | 23,888 |
| Inflation linked bond funds | 38,602 | - | - | 38,602 |
| U.S. Treasury bonds & notes | 143,579 | - | - | 143,579 |
| Beneficial interest in perpetual trust | - | - | 587,898 | 587,898 |
| **Total Assets at Fair Value** | $ 19,988,174 | $ 403,736 | $ 587,898 | $ 20,979,808 |

At June 30, 2019, WHYY has beneficial interests in perpetual trusts held by third parties which are recorded at their fair value on a recurring basis. At June 30, 2019 and 2018, the fair value of the beneficial interest of $585,694 and $587,898, respectively, is considered Level 3 under the fair value hierarchy. The following table summarizes the changes in fair value of the beneficial interest in the perpetual trust held by WHYY:

| | 2019 | 2018 |
|---|---|---|
| Balance, July 1 | $ 587,898 | $ 565,278 |
| Change in fair value of beneficial interest in perpetual trust | (2,204) | 22,620 |
| Balance, June 30 | $ 585,694 | $ 587,898 |

There were no assets or liabilities recorded at fair value on a non-recurring basis at June 30, 2019 and 2018.

## 7. Contributions Receivable

WHYY records unconditional promises to give as contributions receivable. Pledges due beyond one year are discounted to the present value using discount rates ranging from 2.33% to 4.89%. Contributions receivable at June 30, 2019 and 2018 are as follows:

| | 2019 | 2018 |
|---|---|---|
| Receivable in: | | |
| Less than one year | $ 6,683,358 | $ 6,105,751 |
| One to five years | 742,793 | 1,245,286 |
| | 7,426,151 | 7,351,037 |
| Less allowance for uncollectible contributions receivable | (1,413,839) | (1,299,441) |
| | 6,012,312 | 6,051,596 |
| Less discounts to net present value | (33,270) | (58,079) |
| | $ 5,979,042 | $ 5,993,517 |
| Current portion | $ 5,269,519 | $ 4,806,310 |
| Long-term portion | 709,523 | 1,187,207 |
| | $ 5,979,042 | $ 5,993,517 |

## 8. Grant Receivable, Commonwealth of Pennsylvania

WHYY was the subrecipient under a $500,000 grant from the Commonwealth of Pennsylvania (the “Commonwealth”) to the Philadelphia Authority for Industrial Development (“PAID”) under the Redevelopment Assistance Capital Program (“RACP”). Under this agreement WHYY was bound by all provisions in the agreement between PAID and the Commonwealth. The grant was awarded to fund facility upgrades to WHYY's headquarters in Philadelphia. The balance of the grant was fully received in 2018.

In March 2019, WHYY entered into an agreement to be the recipient of a $702,000 RACP grant from the Commonwealth. Under this agreement WHYY is bound by all provisions in the agreement with the Commonwealth. The grant was awarded to fund facility upgrades to WHYY's headquarters in Philadelphia. At June 30, 2019, a total of $702,000 is due from the Commonwealth for eligible RACP expenditures incurred.

## 9. Long-Term Debt

*Bridge Financing*

In June 2015, WHYY closed on a $500,000 multiple disbursement term loan (bridge loan) with a bank. The credit facility was used to advance funds available to WHYY under its RACP grant agreement of equal value discussed in Note 8 to the financial statements.

Borrowings were subject to interest at one-month LIBOR plus 2.25%. The facility was secured by a first lien on unrestricted assets. In December 2017, the RACP grant proceeds were received from the Commonwealth of Pennsylvania and simultaneously the bank was paid in full.

*Term Loan*

In October 2016, WHYY closed on a $5,210,000 term loan which is secured by a first lien on the WHYY headquarters property in Philadelphia. The loan bears interest at a fixed rate of 3.99%. Monthly payments of principal and interest is based on a 25-year term with a 15-year maturity. Principal prepayments are permitted up to $2,500,000 without penalty. Approximate principal payments for the next five years are due as follows: 2020, $136,000; 2021, $141,000; 2022, $147,000; 2023, $153,000 and 2024, $159,000. The loan matures in November 2031 at which time a balloon payment of $2,718,267 will become due.

Long-term debt consists of the following:

| *June 30,* | **2019** | 2018 |
|---|---|---|
| Term loan | **$ 4,859,610** | $ 4,989,796 |
| Unamortized debt financing costs | **(59,425)** | (64,243) |
| Total long-term debt | **4,800,185** | 4,925,553 |
| Less current portion | **(135,552)** | (130,186) |
| Long-term debt, net of unamortized debt financing costs and current portion | **$ 4,664,633** | $ 4,795,367 |

The terms of the term loan agreement include certain financial covenants. WHYY has complied with all covenants for the years ended June 30, 2019 and 2018, respectively.

Interest expense of $199,039 and $212,745 was incurred on the original and new term loans for the years ended June 30, 2019 and 2018, respectively.

## 10. Lines of Credit

*Revolving Line Note*

WHYY maintains a $3,000,000 line of credit facility with a bank. The line is used for working capital and other general corporate purposes. Borrowings bear interest at 2.10% plus the greater of one-month LIBOR, adjusting daily or one-day (overnight) LIBOR, at the bank's discretion (4.50% and 4.23% at June 30, 2019 and 2018). The line is secured by a first lien on net assets without donor restrictions. There were no outstanding borrowings under the line as of June 30, 2019 and 2018.

*Transmitter Capital Projects Bridge Financing*

In January 2018, WHYY closed on an $800,000 non-revolving line of credit with a bank. The credit facility is used to advance funds needed to complete a multi-year investment in WHYY's primary TV transmitter located in Philadelphia, PA. This project is mandated by the Federal Communications Commission (FCC) as a result of its 2016 incentive auction and subsequent channel reassignment requirements. Advances will be used to fund expenditures eligible for reimbursement from the FCC's TV Broadcast Relocation Fund. Proceeds from FCC reimbursement(s) will be used to reduce outstanding bridge loan borrowings. A total of $9,974 was outstanding under this non-revolving line of credit as of both June 30, 2019 and 2018.

In January 2018, also in connection to this FCC-mandated initiative, WHYY closed on a $1,200,000 non-revolving line of credit with a bank. The credit facility is used to advance funds needed to complete a multi-year investment in WHYY's secondary TV transmitter located in Seaford, Delaware. A total of $18,493 and $325,811 was outstanding under this non-revolving line of credit as of June 30, 2019 and 2018, respectively.

For both non-revolving lines as set forth above, borrowings are subject to interest at one-month LIBOR plus 3.00% (5.40 and 5.13% at June 30, 2019 and 2018). The facilities are secured by a first lien on a WHYY bank deposit account established to hold FCC reimbursement(s). The maturity dates of the credit facilities coincide with the expected completion date of the Project in February 2021.

For the revolving and non-revolving lines, WHYY has complied with all covenants set forth in agreements related to the line for the years ended June 30, 2019 and 2018.

Interest expense paid on borrowings under the lines was $1,872 and $117 for the years ended June 30, 2019 and 2018, respectively.

## 11. Capital Lease Equipment and Obligations

WHYY leased certain equipment under a non-cancelable capital lease that expired in 2019. The following is a schedule of the capital lease asset:

| | **2019** | 2018 |
|---|---|---|
| Other equipment | **$ -** | $ 77,669 |
| Less: accumulated depreciation | **-** | (72,938) |
| | **$ -** | $ 4,731 |

Depreciation on equipment under a non-cancelable capital lease was $4,731 and $17,936 for each of the years ended June 30, 2019 and 2018, respectively.

## 12. Net Assets Without Donor Restrictions

Net assets without donor restrictions are comprised of undesignated and Board-designated amounts for at June 30, 2019 and 2018:

| | 2019 | 2018 |
|---|---|---|
| Undesignated | $ 16,755,893 | $ 15,284,248 |
| Board-designated endowment funds | 15,161,914 | 14,181,599 |
| **Total** | **$ 31,917,807** | $ 29,465,847 |

WHYY's Board of Directors has designated funds to be set aside to establish and maintain an endowment for the purpose of securing WHYY's long and short term fiscal needs. See Note 14 for additional information on the endowment.

## 13. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2019 and 2018 are as follows:

| | 2019 | 2018 |
|---|---|---|
| Capital additions | $ 979,475 | $ 365,000 |
| Grant funded productions and programs | 6,946,985 | 5,430,684 |
| Unrestricted operations in future periods | 17,469 | 28,649 |
| Accumulated earnings in excess of spend (see Note 14) | 734,310 | 668,429 |
| Donor restricted endowment (see Note 14) | 2,622,117 | 2,622,117 |
| Beneficial interests in perpetual trusts | 585,694 | 587,898 |
| **Total** | **$ 11,886,050** | $ 9,702,777 |

## 14. Endowment

WHYY's endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

WHYY seeks to achieve a balance between growth of endowment capital and current income generated from the same by deploying the assets using a diversified, multi-asset-class approach. This strategy consists primarily of equity-related investments, fixed income investments, cash and/or inflation hedges.

The use of donor restricted net assets and related income and gains is limited by Pennsylvania Statute Act 141. WHYY has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment funds. Each year, WHYY determines the amount that can be spent, subject to donor restrictions. WHYY has elected to utilize the "total return concept" for administering its donor restricted and board designated funds by transferring up to 4.5% of the trailing fair value of the investments to operations, as calculated according to WHYY's endowment spending policy. The transfer may be limited under certain circumstances as defined in the policy. During the years ended June 30, 2019 and 2018, the Board authorized transfers of $371,617 and $192,920, respectively.

As described in Note 2, when applicable, losses on donor-restricted endowment funds are recorded as donor restricted. At June 30, 2019 and 2018, the fair value of investments exceeded the related historic cost value of the specific donor restricted endowment funds.

Endowment funds activity is summarized as follows at June 30:

| | 2019 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Balance at July 1, 2018 | $ 14,181,599 | $ 3,290,546 | $ 17,472,145 |
| Investment income | 340,804 | 68,774 | 409,578 |
| Net realized/unrealized gains | 875,418 | 132,817 | 1,008,235 |
| Total investment return | 1,216,222 | 201,591 | 1,417,813 |
| Appropriation of endowment assets for expenditure | (235,907) | (135,710) | (371,617) |
| Balance at June 30, 2019 | $ 15,161,914 | $ 3,356,427 | $ 18,518,341 |

| | 2018 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Balance at July 1, 2017 | $ 13,421,007 | $ 3,065,386 | $ 16,486,393 |
| Investment income | 248,840 | 54,990 | 303,830 |
| Net realized/unrealized gains | 658,741 | 216,101 | 874,842 |
| Total investment return | 907,581 | 271,091 | 1,178,672 |
| Appropriation of endowment assets for expenditure | (146,989) | (45,931) | (192,920) |
| Balance at June 30, 2018 | $ 14,181,599 | $ 3,290,546 | $ 17,472,145 |

## 15. Liquidity and Funds Available

WHYY's financial assets available within one year of the consolidated statement of financial position date for general expenditures and scheduled principal payments on debt are as follows at June 30, 2019:

| | Amount |
|---|---|
| Cash | $ 2,823,801 |
| Contributions receivable, current | 5,269,519 |
| Accounts receivable, net | 1,690,926 |
| Unbilled project revenue | 4,449,427 |
| Deferred project costs | 93,597 |
| Prepaid expenses and other current assets | 234,129 |
| Inventory | 51,988 |
| Less donor restricted current assets | (6,258,929) |
| **Total** | **$ 8,354,458** |

As part of WHYY's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## 16. Tax Status

WHYY is an organization described under Section 501(c)(3) of the *Internal Revenue Code* and is therefore exempt under Section 501(a) of the *Internal Revenue Code*.

As of June 30, 2019 and 2018, WHYY did not identify any uncertain tax positions taken or expected to be taken in a tax return which would require adjustment to its financial statements. In addition, WHYY believes it has not engaged in any activities for which its tax-exempt status would not be sustained under Internal Revenue Service examination. WHYY's income tax returns are generally open for examination by U.S. federal and state taxing authorities for the past three years. The Corporation is not currently under examination by any U.S. federal or state income taxing authority.

WHYY engages in certain activities unrelated to its tax-exempt purpose. These activities result in unrelated business income that is taxable at normal corporate rates. There was no income tax provision or benefit recorded for the years ended June 30, 2019 and 2018. As of June 30, 2019, WHYY has net operating loss carry forwards, expiring at various dates through 2038, of approximately $58,000. The deferred tax asset resulting from the net operating loss carry forward has been fully reserved since its use is not considered more-likely-than-not.

## 17. Commitments and Contingencies

WHYY leases office space, broadcasting tower space for the transmission of its radio and television signals, and other equipment under operating leases that expire at various dates through 2029.

Rental expense for 2019 and 2018 were $480,565 and $458,872, respectively. Approximate minimum future commitments under noncancelable operating leases at June 30, 2019 are as follows:

| *Years ending June 30,* | | Amount |
|---|---|---|
| 2020 | $ | **532,000** |
| 2021 | | **551,000** |
| 2022 | | **554,000** |
| 2023 | | **516,000** |
| 2024 | | **393,000** |
| Thereafter | | **1,503,000** |
| | **$** | **4,049,000** |

## 18. Lease Agreements

In June 2004 and February 2005, WHYY entered into lease agreements with an unrelated party which expire in June 2019 and February 2020, respectively. This party leases certain channels not used or reserved by WHYY. Cash of $2,125,000 was received by WHYY under the terms of the agreements. This amount is recognized as revenue on a straight-line basis over the 15-year term of the lease agreements. Revenue recognized for June 30, 2019 and 2018 was $130,599 and $141,660, respectively. Minimum future lease income under the lease agreements will amount to $4,907 in 2020.

## 19. Channel Sharing

In February 2018 WHYY agreed to share 30% of the capacity of the station’s channel with an unrelated party that expires in February 2028. The agreement provides for two additional terms of five years each provided there is no notice of termination as defined in the agreement. The channel sharing fee, which increases annually each January by a minimum of 3%, will be paid in advance on a quarterly basis. WHYY also has an agreement with the company that facilitated this transaction, to pay a commission of 6% for each payment received during the term of the channel sharing agreement.

## 20. Licenses

WHYY-TV, Wilmington, Delaware, and WDPB-TV, Seaford, Delaware, operate under licenses granted by the FCC, which expire on August 1, 2023. Additionally, WHYY-FM, Philadelphia, Pennsylvania, maintains a license with the FCC that expires on August 1, 2022.

In 2012, the FCC licenses of five New Jersey FM radio stations, WNJB, WNJM, WNJN, WNJS and WNJZ were purchased from the New Jersey Public Broadcasting Authority. The licenses of all these stations expire on June 1, 2022.

## 21. Employee Benefit Plans

WHYY provides pension benefits for certain eligible employees under two defined contribution plans covering union and nonunion employees. WHYY’s contributions to the plans for 2019 and 2018 were $528,897 and $520,029, respectively. In addition, WHYY had a nonqualified supplemental retirement plan for an employee. This plan was fully funded and was frozen in a previous year. The balance recorded in investments and accrued expenses at June 30, 2018 of $63,444 was fully paid out in 2019.

## 22. Bid Management and Option Agreement

In October 2015, WHYY entered into a bid management and option agreement with an unrelated third party to represent WHYY in the broadcast television incentive auction that was conducted by the Federal Communications Commission. While WHYY did not receive a winning bid in the auction, certain provisions in the bid management and option agreement resulted in WHYY recognizing $8,700,000 of revenue during 2017. All proceeds from this transaction were placed in board-designated endowment funds. The bid management agreement had no impact on any of the WHYY licenses. The proceeds were fully received in 2018.

## 23. Subsequent Events

Subsequent events have been evaluated through December 17, 2019, the date the financial statements were available to be issued.

# Supplementary Information

# WHYY, Inc.

## Supplemental Schedule of Activities by Grantee
## June 30, 2019

| *Year ended June 30, 2019* | TV | FM | Total |
|---|---|---|---|
| **Operating Revenue and Support** | | | |
| Support: | | | |
| Commonwealth of Pennsylvania | $ 107,143 | $ - | $ 107,143 |
| State of Delaware | 175,000 | - | 175,000 |
| Corporation for Public Broadcasting | 2,334,996 | 644,972 | 2,979,968 |
| **Total Support** | 2,617,139 | 644,972 | 3,262,111 |
| **Contributions and Revenue** | | | |
| Memberships and other contributions | 12,753,721 | 5,389,926 | 18,143,647 |
| Program contracts and grants | 4,768,031 | 8,550,369 | 13,318,400 |
| Program underwriting | 861,568 | 4,568,093 | 5,429,661 |
| In-kind income | 13,350 | 220,221 | 233,571 |
| Realized and unrealized gains from investments | 528,155 | 528,155 | 1,056,310 |
| Interest and dividends | 232,437 | 232,436 | 464,873 |
| Change in value of beneficial interest in perpetual trusts | (1,102) | (1,102) | (2,204) |
| Other | 720,796 | 56,977 | 777,773 |
| **Total Contributions and Revenue** | 19,876,956 | 19,545,075 | 39,422,031 |
| **Total Support, Contributions and Revenue** | 22,494,095 | 20,190,047 | 42,684,142 |
| **Expenses** | | | |
| Program services: | | | |
| Production and broadcasting | 16,438,985 | 10,954,358 | 27,393,343 |
| Supporting services: | | | |
| General and administrative | 1,457,894 | 619,995 | 2,077,889 |
| Fundraising | 5,518,588 | 3,059,089 | 8,577,677 |
| **Total Supporting Services** | 6,976,482 | 3,679,084 | 10,655,566 |
| **Total Expenses** | 23,415,467 | 14,633,442 | 38,048,909 |
| **Change in Net Assets** | $ (921,372) | $ 5,556,605 | $ 4,635,233 |