

# **Greater Dayton Public Television, Inc.**

**Financial Statements with  
June 30, 2020 and 2019 and  
Independent Auditors' Report**

**GREATER DAYTON PUBLIC TELEVISION, INC.**  
**June 30, 2020 and 2019**

**Contents**

---

	<u>Page(s)</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 – 4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 19

## Independent Auditors' Report

To the Board of Trustees  
Greater Dayton Public Television, Inc.  
Cincinnati, Ohio

We have audited the accompanying financial statements of Greater Dayton Public Television, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows 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 Greater Dayton Public Television, Inc. as of June 30, 2020 and 2019, 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.



December 22, 2020  
Cincinnati, Ohio

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statements of Financial Position  
June 30, 2020 and 2019**

	2020	2019
<b>Assets</b>		
Cash	\$ 809,463	\$ 72,732
Accounts receivable, net	273,693	211,781
Contributions receivable, net	259,979	183,564
Prepaid expense	143,408	122,098
Investments	1,620,109	1,588,413
Beneficial interest in perpetual trusts	36,291	37,501
Prepaid rent	161,438	204,488
Property and equipment, net	5,346,597	4,277,672
Total assets	\$ 8,650,978	\$ 6,698,249
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 314,681	\$ 231,246
Accrued expenses	393,735	340,876
Paycheck Protection Program (PPP) loan	533,632	-
Due to related parties	1,083,399	1,097,563
Deferred support and revenue	18,005	-
Total liabilities	2,343,452	1,669,685
<b>Net Assets</b>		
Without donor restrictions	6,271,235	3,244,766
With donor restrictions	36,291	1,783,798
Total net assets	6,307,526	5,028,564
Total liabilities and net assets	\$ 8,650,978	\$ 6,698,249

The accompanying notes are an integral part of these financial statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Activities  
Year Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Support:			
Corporation for Public Broadcasting:			
Community Service Grant and Interconnect reimbursement	\$ 1,248,901	\$ -	\$ 1,248,901
State of Ohio:			
Operating Subsidy	317,396	-	317,396
Educational Subsidy	260,784	-	260,784
In-kind donations	776,773	-	776,773
Montgomery County	42,009	-	42,009
Total support	2,645,863	-	2,645,863
Revenue:			
Memberships and other contributions	2,237,221	-	2,237,221
Donated services	37,647	-	37,647
Acquired program sponsorship and underwriting	275,351	-	275,351
Auction and special events	46,226	-	46,226
Contract production services	92,194	-	92,194
Educational services	285,329	-	285,329
Rental income	502,181	-	502,181
Investment income	19,343	-	19,343
Promotion and miscellaneous	12,459	1,023,977	1,036,436
Change in value of trust	-	(1,210)	(1,210)
Total revenue	3,507,951	1,022,767	4,530,718
Net assets released from restrictions	2,770,274	(2,770,274)	-
Total support and revenue	8,924,088	(1,747,507)	7,176,581
<b>Expenses</b>			
Broadcasting and telecommunication service	4,292,631	-	4,292,631
Fundraising	685,755	-	685,755
Administrative	919,233	-	919,233
Total expenses	5,897,619	-	5,897,619
<b>Change in net assets</b>	3,026,469	(1,747,507)	1,278,962
<b>Net assets, beginning of year</b>	3,244,766	1,783,798	5,028,564
<b>Net assets, end of year</b>	\$ 6,271,235	\$ 36,291	\$ 6,307,526

The accompanying notes are an integral part of these financial statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Activities  
Year Ended June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Support:			
Corporation for Public Broadcasting:			
Community Service Grant and Interconnect reimbursement	\$ 1,062,162	\$ -	\$ 1,062,162
State of Ohio:			
Operating Subsidy	302,699	-	302,699
Educational Subsidy	260,784	-	260,784
In-kind donations	849,766	-	849,766
Montgomery County	42,009	-	42,009
Total support	2,517,420	-	2,517,420
Revenue:			
Memberships and other contributions	2,034,030	-	2,034,030
Donated services	87,418	-	87,418
Acquired program sponsorship and underwriting	402,524	-	402,524
Auction and special events	19,539	-	19,539
Contract production services	80,266	-	80,266
Educational services	317,129	-	317,129
Rental income	500,193	-	500,193
Investment income	68,221	-	68,221
Promotion and miscellaneous	63,320	1,685,632	1,748,952
Change in value of trust	-	(128)	(128)
Total revenue	3,572,640	1,685,504	5,258,144
Net assets released from restrictions	27,719	(27,719)	-
Total support and revenue	6,117,779	1,657,785	7,775,564
<b>Expenses</b>			
Broadcasting and telecommunication service	4,475,983	-	4,475,983
Fundraising	887,687	-	887,687
Administrative	849,098	-	849,098
Total expenses	6,212,768	-	6,212,768
<b>Change in net assets</b>	(94,989)	1,657,785	1,562,796
<b>Net assets, beginning of year</b>	3,339,755	126,013	3,465,768
<b>Net assets, end of year</b>	\$ 3,244,766	\$ 1,783,798	\$ 5,028,564

The accompanying notes are an integral part of these financial statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Functional Expenses  
Year Ended June 30, 2020**

	Technical	Programming	Education Services	Production	Promotions	Total Program	Marketing	Member Services	Auctions and Special Events	Total Fundraising	Administrative	Total Expenses
Salaries	264,513	\$ 192,519	\$ 122,553	\$ 503,767	\$ 104,507	\$ 1,187,859	\$ 66,781	\$ 111,015	\$ 105,673	\$ 283,469	\$ 300,649	\$ 1,771,977
Program acquisitions	-	835,758	-	-	-	835,758	-	270	-	270	-	836,028
In-kind donations	776,773	-	-	-	-	776,773	26,447	-	11,200	37,647	-	814,420
Benefits	48,316	29,731	37,260	115,403	20,444	251,154	16,574	30,458	16,571	63,603	63,422	378,179
Depreciation	293,370	2,589	3,438	39,235	192	338,824	-	-	-	-	37,742	376,566
Utilities	83,747	-	-	12,695	-	96,442	-	-	-	-	111,626	208,068
Repair and maintenance	119,556	478	462	25,769	-	146,265	-	1,390	-	1,390	84,408	232,063
Professional fees	-	88,415	-	9,523	-	97,938	-	349	350	699	137,917	236,554
Postage and shipping	1,068	52	43	97	12,771	14,031	11	146,067	226	146,304	646	160,981
Miscellaneous	9,224	89	162	(308)	8,107	17,274	1,343	14,259	1,244	16,846	14,374	48,494
Memberships	170	100,521	943	2,579	-	104,213	55	55	-	110	34,196	138,519
Rent	56,385	-	-	6,983	-	63,368	-	-	4,285	4,285	71,466	139,119
Promotional incentives	-	-	-	-	-	-	-	67,751	-	67,751	-	67,751
Production fees	-	-	6,249	38,620	-	44,869	9,182	-	-	9,182	-	54,051
Commissions	-	-	-	-	-	-	-	19,850	-	19,850	-	19,850
Insurance	-	-	-	-	-	-	-	-	-	-	51,303	51,303
Travel and training	2,225	1,979	8,733	6,623	600	20,160	2,574	343	448	3,365	4,608	28,133
Supplies	217	19	8,648	13,678	1,168	23,730	1,031	961	3,751	5,743	5,232	34,705
Printing	-	-	-	-	20,721	20,721	635	4,012	401	5,048	1,487	27,256
Educational fees	-	-	242,782	-	-	242,782	250	-	-	250	-	243,032
Receptions	-	-	232	1,531	151	1,914	1,664	5,464	11,630	18,758	157	20,829
Advertising	-	-	-	4,000	4,556	8,556	-	-	1,185	1,185	-	9,741
	<u>\$ 1,655,564</u>	<u>\$ 1,252,150</u>	<u>\$ 431,505</u>	<u>\$ 780,195</u>	<u>\$ 173,217</u>	<u>\$ 4,292,631</u>	<u>\$ 126,547</u>	<u>\$ 402,244</u>	<u>\$ 156,964</u>	<u>\$ 685,755</u>	<u>\$ 919,233</u>	<u>\$ 5,897,619</u>

The accompanying notes are an integral part of these financial statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Functional Expenses  
Year Ended June 30, 2019**

	Technical	Programming	Education Services	Production	Promotions	Total Program	Marketing	Member Services	Auctions and Special Events	Total Fundraising	Administrative	Total Expenses
Salaries	\$ 247,465	\$ 194,602	\$ 173,308	\$ 541,690	\$ 113,415	\$ 1,270,480	\$ 74,647	\$ 103,592	\$ 157,930	\$ 336,169	\$ 276,546	\$ 1,883,195
Program acquisitions	-	860,140	-	-	-	860,140	-	-	-	-	-	860,140
In-kind donations	849,766	-	-	-	-	849,766	87,418	-	-	87,418	-	937,184
Benefits	44,251	29,186	44,858	115,214	24,075	257,584	16,996	26,144	20,235	63,375	42,706	363,665
Depreciation	220,332	1,944	2,582	29,467	144	254,469	-	-	-	-	28,346	282,815
Utilities	139,049	-	-	11,393	-	150,442	-	-	-	-	102,033	252,475
Repair and maintenance	121,203	-	79	26,551	-	147,833	-	-	-	-	80,420	228,253
Professional fees	-	72,638	1,300	5,869	-	79,807	-	-	-	-	113,975	193,782
Postage and shipping	1,071	88	249	111	10,680	12,199	1,329	148,570	193	150,092	-	162,291
Miscellaneous	1,282	129	3,503	5,454	8,061	18,429	11,785	29,475	16,681	57,941	24,499	100,869
Memberships	4	101,570	55	3,503	115	105,247	-	-	-	-	28,504	133,751
Rent	55,560	-	2,851	6,165	-	64,576	-	-	-	-	71,303	135,879
Promotional incentives	-	-	-	-	-	-	-	75,880	-	75,880	-	75,880
Production fees	-	-	3,572	40,625	-	44,197	-	-	-	-	-	44,197
Commissions	-	-	-	-	-	-	76,000	24,811	-	100,811	-	100,811
Insurance	-	-	-	-	-	-	-	-	-	-	56,364	56,364
Travel and training	4,884	3,521	9,411	6,118	676	24,610	-	-	-	-	8,772	33,382
Supplies	16	39	18,089	14,912	273	33,329	4,165	1,471	606	6,242	15,630	55,201
Printing	-	-	8,764	11	21,498	30,273	-	-	-	-	-	30,273
Educational fees	-	-	258,206	-	-	258,206	-	-	-	-	-	258,206
Receptions	-	-	-	-	-	-	4,291	5,330	138	9,759	-	9,759
Advertising	-	-	185	-	14,211	14,396	-	-	-	-	-	14,396
	<u>\$ 1,684,883</u>	<u>\$ 1,263,857</u>	<u>\$ 527,012</u>	<u>\$ 807,083</u>	<u>\$ 193,148</u>	<u>\$ 4,475,983</u>	<u>\$ 276,631</u>	<u>\$ 415,273</u>	<u>\$ 195,783</u>	<u>\$ 887,687</u>	<u>\$ 849,098</u>	<u>\$ 6,212,768</u>

The accompanying notes are an integral part of these financial statements



**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statements of Cash Flows  
Years Ended June 30, 2020 and 2019**

	2020	2019
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,278,962	\$ 1,562,796
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	376,566	282,815
Net realized and unrealized gains on investments	19,962	(26,870)
(Gain) loss on beneficial interest in perpetual trusts	1,210	128
Contributions received for capital projects	1,023,977	(1,685,632)
Changes in:		
Accounts and contributions receivable	(138,327)	(74,357)
Prepaid expense and rents	21,740	12,279
Accounts payable and accrued expenses	136,294	181,269
Due to related parties	(14,164)	417,510
Deferred support and revenue	18,005	(141,637)
Net cash provided by operating activities	2,724,225	528,301
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,445,491)	(2,118,421)
Purchase of investments	(713,316)	(285,780)
Proceeds from sale of investments	661,658	234,314
Net cash used in investing activities	(1,497,149)	(2,169,887)
<b>Cash flows from financing activities</b>		
Proceeds from line of credit	445,161	669,856
Payments on line of credit	(445,161)	(669,856)
Contributions received for capital purchases	(1,023,977)	1,685,632
Proceeds from issuance of PPP loan	533,632	-
Net cash provided by (used in) financing activities	(490,345)	1,685,632
<b>Net change in cash</b>	736,731	44,046
<b>Cash, beginning of year</b>	72,732	28,686
<b>Cash, end of year</b>	\$ 809,463	\$ 72,732
<b>Supplemental information</b>		
Cash paid for interest	\$ 5,264	\$ 9,682

The accompanying notes are an integral part of these financial statements

# GREATER DAYTON PUBLIC TELEVISION, INC.

## Notes to Financial Statements

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Operations*

Greater Dayton Public Television, Inc. (GDPT or the Organization) is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization owns and operates noncommercial broadcasting stations in the State of Ohio, specifically WPTD Channel 16 in Dayton, WPTO Channel 14 in Oxford and other telecommunication facilities. The Organization receives support primarily from the viewing public and private and government grants.

#### *Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### *Fair Value Measurements*

GAAP has established a three-level hierarchy for fair value measurements based on the transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

#### *Cash*

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

#### *Investments and Investment Return*

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

***Accounts Receivable***

Accounts receivable represent uncollateralized obligations due from various organizations. Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by evaluating each individual organization's receivable and considering their current credit worthiness, past experience and current economic conditions. Accounts have been adjusted for all known and expected uncollectible amounts. Recoveries of amounts previously written off are recorded when received. There was no provision for uncollectible accounts at June 30, 2020 and 2019.

***Property and Equipment***

Building and equipment are recorded at cost or, in the case of donated assets, at their estimated fair value at date of receipt. Depreciation is computed by the straight-line method over the estimated useful lives of the respective assets. The Organization reviews its long-lived assets for impairment if changes in circumstances indicate that the carrying amount may not be recoverable. Management believes there has been no impairment in the carrying value of the Organization's long-lived assets.

In accordance with GAAP, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Organization believes no impairments existed at June 30, 2020 and 2019.

***Broadcast Licenses***

The Organization has two non-commercial broadcast license agreements with the Federal Communications Commission. The license agreements provide the Organization the right to broadcast televised programs in the Dayton and Oxford, Ohio, areas and were awarded to the Organization at no cost.

***Contributions***

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

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

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Contributions (Continued)***

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. Contributions receivable as of June 30, 2020 and 2019 are expected to be collected within one year. At June 30, 2020 and 2019, the provision for uncollectible contributions receivable was \$45,810 and \$31,810, respectively.

Conditional promises to give depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenues when the conditions are substantially met and the gift becomes unconditional.

***Community Service Grants***

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

The grants are reported on the accompanying financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financial reporting and licensee status with the Federal Communications Commission.

***Government Grants***

Support funded by state grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreement. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

***Donated Goods and Services***

The Organization records donated goods and services that meet the criteria for recognition as contributions at fair value on the date of donation. A substantial number of volunteers have made significant contributions of time to the Organization's policy-making, program and support functions. The value of this contributed time does not meet the criteria for recognition under existing accounting standards and, accordingly, is not reflected in the accompanying financial statements.

***Income Taxes***

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Ohio law. However, it is subject to federal income tax on any unrelated business taxable income.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

***Income Taxes (Continued)***

The Organization's IRS Form 990 is subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. Certain costs have been allocated among the program, management and general, and fundraising categories based on the specific identification and other methods. The most significant allocations are salaries and related expenses, which are allocated based upon time spent by Organization personnel, and occupancy and depreciation, which are allocated based on utilization.

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Reclassifications***

Certain 2019 figures were reclassified to confirm to the 2020 presentation.

***Effect of Adopting New Accounting Standards***

In 2020, the Organization adopted ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarifies how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard also requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

***Recently Issued Accounting Standards***

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*. The standard’s core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contract with customers. This standard will be effective for the fiscal year ending June 30, 2021.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating, which will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending June 30, 2023.

The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

***Subsequent Events***

The Organization has evaluated subsequent events through December 22, 2020, which is the date the financial statements were available to be issued.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, are as follows:

	2020	2019
Cash	\$ 809,463	\$ 72,732
Accounts receivable, net	273,693	211,781
Contributions receivable, net	259,979	183,564
Investments	1,620,109	1,588,413
Beneficial interest in perpetual trusts	36,291	37,501
Total financial assets	2,999,535	2,093,991
Less: endowment funds	(1,456,807)	(1,449,372)
Less: beneficial interest in perpetual trusts	(36,291)	(37,501)
Financial assets available for general expenditures within one year	\$ 1,506,437	\$ 607,118

The Organization's endowment funds consist of a board-designated quasi-endowment. As described in Note 13, the Organization's board-designated endowment has a spending rate as approved by the Board of Trustees annually, typically not to exceed 4 percent available within the next 12 months. Although the Organization does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Organization has committed lines of credit as described in Note 6.

**NOTE 3 INVESTMENTS AT FAIR VALUE**

Investments are summarized as follows:

	2020	2019
<b>Level 1</b>		
Equity mutual funds	\$ 675,493	\$ 708,704
Fixed income mutual funds	234,173	152,285
<b>Level 2</b>		
Funds held at Dayton Foundation	681,134	684,564
Money market funds	29,309	42,860
	\$ 1,620,109	\$ 1,588,413

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 3 INVESTMENTS AT FAIR VALUE (CONTINUED)**

***Equity and Fixed Income Mutual Funds***

Fair value of equity and fixed income mutual funds is estimated by reference to quoted market prices available in an active market. Equity and fixed income mutual funds are categorized as using Level 1 inputs.

***Funds Held at Dayton Foundation***

Fair value for funds held at the Dayton Foundation are valued as a proportionate interest of the fair value of the underlying funds. The underlying funds are primarily assets which can be valued using observable inputs and are categorized as using Level 2 inputs.

***Money Market Funds***

Fair value for money market funds is estimated using the net asset value ("NAV") of shares held at year end. Money market funds are categorized as using Level 2 inputs.

**NOTE 4 BENEFICIAL INTEREST IN PERPETUAL TRUSTS AT FAIR VALUE**

The Organization is the beneficiary of trusts held and administered by an independent trustee. Under the terms of the trusts, the Organization has an irrevocable right to receive a portion of the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The Organization's beneficial interest in perpetual trust is recorded at fair value using level 3 unobservable inputs.

The following table is a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at June 30:

Balance at June 30, 2018	\$ 37,629
Change in value	<u>(128)</u>
Balance at June 30, 2019	37,501
Change in value	<u>(1,210)</u>
Balance at June 30, 2020	<u>\$ 36,291</u>



**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	2020	2019
Technical equipment	\$ 5,609,910	\$ 5,606,080
Tower, antenna, and transmitting equipment	9,194,783	5,885,604
Buildings and improvements	2,159,307	2,158,257
Furniture, fixtures, and office equipment	533,394	528,282
Land and improvements	147,122	145,222
Vehicles	89,862	73,643
Construction in progress	-	1,891,798
Less accumulated depreciation	(12,387,781)	(12,011,214)
	\$ 5,346,597	\$ 4,277,672

The Organization has received funds through grants from agencies of the federal government for the purpose of acquiring property and equipment. The Federal Government has a ten-year interest in assets purchased with federal funds commencing at the date of the completion of a specific project. The following summarizes information related to the Organization's property and equipment subject to Federal Government interest as of June 30, 2020:

	Cost	Federal Interest	Expiration of Federal Interest
Technical equipment	\$ 137,301	\$ 68,650	3/31/2021

**NOTE 6 LINE OF CREDIT**

GDPT has a demand line of credit with Merrill Lynch, Bank of America Corporation. The maximum draw available on this credit facility is based on the value of the collateralized investments held at the bank which totaled \$775,764 and \$764,897 at June 30, 2020 and 2019, respectively. The maximum credit available on this facility totaled \$456,909 and \$403,067 at June 30, 2020 and 2019, respectively. Interest is charged on amounts borrowed against the line at the one-month LIBOR rate (0.18% and 2.46% at June 30, 2020 and 2019, respectively) plus 0.95% and 0.95% at June 30, 2020 and 2019, respectively. There was no outstanding balance at June 30, 2020 and 2019.

## GREATER DAYTON PUBLIC TELEVISION, INC.

### Notes to Financial Statements (Continued)

#### NOTE 7 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On April 8, 2020, the Organization qualified for and received loans pursuant to the Paycheck Protection Program (the "Program"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security's Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of \$533,632 (the "PPP Loans"). The PPP Loans bear interest at a fixed rate of 1.00% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loans is subject to forgiveness under the Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loans with respect to these covered expenses. To the extent that all or part of the PPP Loans are not forgiven, the Organization will be required to pay interest on the PPP Loans at a rate of 1.00% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in April 2022. In the case that all the PPP Loan is not forgiven, future minimum annual maturities will be \$237,170 in 2021 and \$296,462 in 2022. Future annual maturities are subject to change if part or all of PPP Loan is forgiven. The terms of the PPP Loan provide the customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default. The outstanding balance for this long-term debt was \$533,632 as of June 30, 2020.

#### NOTE 8 DEFERRED COMPENSATION AGREEMENT

GDPT sponsors a nonqualified deferred compensation 457(b) plan available to all senior management personnel. The Plan is funded entirely by employee deferrals. The Plan assets and liabilities as of June 30, 2020 and 2019 are \$163,113 and \$138,852, respectively, and are included in investments and accrued expenses on the statement of financial position.

#### NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2020</u>	<u>2019</u>
Restricted as to purpose:		
FCC repack project	\$ -	\$ 1,746,297
Capital projects	-	-
Beneficial interest in trusts	<u>36,291</u>	<u>37,501</u>
	<u>\$ 36,291</u>	<u>\$ 1,783,798</u>

#### NOTE 10 RETIREMENT PLAN

##### *Defined Contribution Retirement Plan*

GDPT sponsors a defined contribution retirement plan under the provisions of Internal Revenue Code Section 403(b) covering substantially all employees. Contributions to the plan during the years ended June 30, 2020 and 2019 were \$67,527 and \$48,348, respectively.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 11 RENTAL INCOME**

GDPT leases excess broadband capacity under lease agreements that expire through 2040. Rental income associated with these leases totaling \$502,181 and \$500,193 were recognized for the years ended June 30, 2020 and 2019, respectively.

Future annual minimum lease receipts at June 30, 2020 are as follows:

2021	\$ 486,413
2022	495,605
2023	505,074
2024	514,826
2025	524,870
Thereafter	<u>9,306,642</u>
	<u>\$ 11,833,430</u>

**NOTE 12 OPERATING LEASES**

GDPT entered into a long-term operating lease with the City of Dayton in 1987 for administrative and operating facilities. Lease terms require minimum annual rental payments through June 30, 2023. The Organization has the option of extending the lease for five successive five-year terms with annual rental payments increasing with each five-year term. Minimum future rental payments at June 30, 2020 are \$41,580 for 2021; \$48,510 for 2022; and \$50,820 for 2023.

In 2003, GDPT, as lessee, entered into a twenty-year tower lease arrangement with Raycom National, Inc. calling for a one-time payment of \$861,000. The expense associated with this lease is being recognized on a straight-line basis over the twenty-year term of the lease; prepaid tower rent was \$161,438 and \$204,488 at June 30, 2020 and 2019, respectively. The Organization has the option to renew this lease for two successive ten-year terms, provided 90 days' prior notice is given to the lessor.

Total rent expense was \$139,119 and \$135,879 during the years ended June 30, 2020 and 2019, respectively.

**NOTE 13 ENDOWMENT**

The Organization's endowment consists of a board-designated quasi-endowment fund established to support general operations. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 13 ENDOWMENT (CONTINUED)**

Changes in the endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	<u>Board Designated</u>
<b>Endowment net assets - 6/30/18</b>	\$ 1,393,838
Contributions	-
Investment return, net	68,221
Appropriations for expenditure	<u>(12,687)</u>
<b>Endowment net assets - 6/30/19</b>	1,449,372
Contributions	-
Investment return, net	19,343
Appropriations for expenditure	<u>(11,908)</u>
<b>Endowment net assets - 6/30/20</b>	<u><u>\$ 1,456,807</u></u>

***Investment Policy***

The primary objective of the investment policy is to provide for preservation of capital with an emphasis on long-term growth without undue exposure to risk. The return objective is to achieve a total return, net of fees, in excess of spending and inflation greater than the consumer price index plus 4%. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

***Spending Policy***

The spending rate is approved by the Board of Trustees annually, typically not to exceed 4 percent, and is available for general expenditures within the next 12 months.

**NOTE 14 SIGNIFICANT CONCENTRATIONS**

The Corporation for Public Broadcasting (CPB) is a major source of funding for the Organization. The Organization received \$1,248,901 and \$1,062,162 from CPB, representing approximately 17% and 14% of total revenue and support for 2020 and 2019, respectively.

## **GREATER DAYTON PUBLIC TELEVISION, INC.**

### **Notes to Financial Statements (Continued)**

#### **NOTE 15 RELATED PARTY TRANSACTIONS**

Public Media Connect (PMC) is the sole member of the Organization, Greater Cincinnati Television Educational Foundation (CET) and Southwestern Ohio Instructional Technology Association (SOITA).

The Organization has an employee sharing arrangement with CET which provides for the allocation of salaries and benefits between the Organization and CET. For the years ended June 30, 2020 and 2019, \$456,769 was the net amount paid by CET for salaries and benefits on behalf of the Organization. The net amount due to CET for these allocations as of June 30, 2020 and 2019 was \$984,723 and \$1,097,563, respectively, and is included in due to related party on the statement of financial position. The allocation of costs is based upon management's estimate of resources used.

Additionally, the Organization will occasionally transfer funds to or receive funds from PMC to cover certain operating expenses. During 2020 and 2019, PMC transferred \$287,619 and \$351,840 to the Organization, respectively. These amounts are included in memberships and other contributions on the statement of activities. No amounts were due from PMC as of June 30, 2020 and 2019.

Additionally, the Organization passes through a portion of its State of Ohio Educational Subsidy to SOITA and will occasionally be reimbursed by SOITA for shared expenses. The net amount due to SOITA as of June 30, 2020 and 2019 was \$98,676 and \$-0-, respectively.

#### **NOTE 16 RISKS AND UNCERTAINTIES**

The Organization's investments consist of common stocks, U.S Government and fixed income securities and mutual funds. Investment securities are exposed to various risks, such as credit, market and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2020. However, the diversification of the Organization's investments among various asset classes should mitigate the impact of any adverse changes on any one asset class. Investments are managed by the Board of Trustees with advice and assistance from investment professionals.

#### **NOTE 17 COVID-19 PANDEMIC**

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's business and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which the Organization operates and the related impact on consumer confidence and spending, all of which are highly uncertain.