

Greater Cincinnati Television Educational Foundation

**Financial Statements with
June 30, 2021 and 2020 and
Independent Auditors' Report**

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION
June 30, 2021 and 2020

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Independent Auditors' Report

To the Board of Trustees
Greater Cincinnati Television Educational Foundation
Cincinnati, Ohio

We have audited the accompanying financial statements of Greater Cincinnati Television Educational Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 Cincinnati Television Educational Foundation as of June 30, 2021 and 2020, 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.



January 11, 2022
Cincinnati, Ohio

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

**Statements of Financial Position
June 30, 2021 and 2020**

	2021	2020
Assets		
Cash	\$ 1,481,237	\$ 857,560
Accounts receivable, net	238,484	246,748
Contributions receivable, net	229,652	203,984
Due from related parties	69,236	1,052,959
Prepaid expense	146,047	112,027
Investments	3,564,348	2,795,337
Beneficial interest in perpetual trust	973,808	786,995
Property and equipment, net	3,825,952	2,569,952
Total assets	\$ 10,528,764	\$ 8,625,562
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 122,445	\$ 144,560
Accrued expenses	226,542	220,305
Paycheck Protection Program (PPP) loan	-	428,200
Due to related parties	327,422	33,034
Deferred support and revenue	87,729	60,626
Accrued pension benefit obligation	-	1,253,923
Total liabilities	764,138	2,140,648
Net Assets		
Without donor restrictions	8,055,672	5,216,589
With donor restrictions	1,708,954	1,268,325
Total net assets	9,764,626	6,484,914
Total liabilities and net assets	\$ 10,528,764	\$ 8,625,562

The accompanying notes are an integral part of these financial statements

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

**Statement of Activities
Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Support:			
Corporation for Public Broadcasting:			
Community Service Grant and Interconnect reimbursement	\$ 1,159,954	\$ 464,591	\$ 1,624,545
State of Ohio:			
Operating Subsidy	311,039	-	311,039
Educational Subsidy	182,335	-	182,335
Forgiveness of PPP loan	428,200	-	428,200
In-kind donations	783,197	-	783,197
Total support	2,864,725	464,591	3,329,316
Revenue:			
Memberships and other contributions	3,105,609	-	3,105,609
Donated services	139,572	-	139,572
Acquired program underwriting	518,470	-	518,470
Auction and special events	282,549	-	282,549
Contract production services	98,131	-	98,131
Educational services	295,563	-	295,563
Rental income	247,909	-	247,909
Investment income	770,033	-	770,033
Promotion and miscellaneous	181,848	-	181,848
Loss on disposal of property and equipment	(185,134)	-	(185,134)
Change in value of trust	-	186,813	186,813
Total revenue	5,454,550	186,813	5,641,363
Net assets released from restrictions	210,775	(210,775)	-
Total support and revenue	8,530,050	440,629	8,970,679
Expenses			
Broadcasting and telecommunication service	4,406,029	-	4,406,029
Fundraising	1,142,067	-	1,142,067
Administrative	1,063,347	-	1,063,347
Total expenses	6,611,443	-	6,611,443
Change in net assets before pension adjustment	1,918,607	440,629	2,359,236
Gain on pension settlement	920,476	-	920,476
Change in net assets	2,839,083	440,629	3,279,712
Net assets, beginning of year	5,216,589	1,268,325	6,484,914
Net assets, end of year	\$ 8,055,672	\$ 1,708,954	\$ 9,764,626

The accompanying notes are an integral part of these financial statements

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Statement of Activities Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Support:			
Corporation for Public Broadcasting:			
Community Service Grant and Interconnect reimbursement	\$ 1,225,059	\$ -	\$ 1,225,059
State of Ohio:			
Operating Subsidy	187,648	-	187,648
Educational Subsidy	182,335	-	182,335
In-kind donations	388,361	-	388,361
Montgomery County	-	-	-
Total support	1,983,403	-	1,983,403
Revenue:			
Memberships and other contributions	2,894,236	-	2,894,236
Donated services	160,261	-	160,261
Acquired program underwriting	392,692	-	392,692
Auction and special events	231,805	-	231,805
Contract production services	149,919	-	149,919
Educational services	294,098	-	294,098
Rental income	250,546	-	250,546
Investment income	32,190	-	32,190
Promotion and miscellaneous	19,799	347,779	367,578
Change in value of trust	-	(9,942)	(9,942)
Total revenue	4,425,546	337,837	4,763,383
Net assets released from restrictions	1,269,664	(1,269,664)	-
Total support and revenue	7,678,613	(931,827)	6,746,786
Expenses			
Broadcasting and telecommunication service	3,847,200	-	3,847,200
Fundraising	1,120,005	-	1,120,005
Administrative	1,002,154	-	1,002,154
Total expenses	5,969,359	-	5,969,359
Change in net assets before pension adjustment	1,709,254	(931,827)	777,427
Change in pension benefit obligation	(581,594)	-	(581,594)
Change in net assets	1,127,660	(931,827)	195,833
Net assets, beginning of year	4,088,929	2,200,152	6,289,081
Net assets, end of year	\$ 5,216,589	\$ 1,268,325	\$ 6,484,914

The accompanying notes are an integral part of these financial statements

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

**Statement of Functional Expenses
Year Ended June 30, 2021**

	Technical	Programming	Education Services	Production	Promotions	Total Program	Marketing	Member Services	Auctions and Special Events	Total Fundraising	Administrative	Total Expenses
Salaries	\$ 329,561	\$ 137,420	\$ 219,418	\$ 468,400	\$ 118,128	\$ 1,272,927	\$ 114,694	\$ 277,317	\$ 105,931	\$ 497,942	\$ 428,658	\$ 2,199,527
Program acquisitions	-	1,050,864	-	-	-	1,050,864	-	-	-	-	-	1,050,864
In-kind donations	783,197	-	-	-	-	783,197	139,572	-	-	139,572	-	922,769
Benefits	76,636	21,721	46,389	99,045	24,473	268,264	18,970	69,209	21,495	109,674	73,368	451,306
Depreciation	315,986	2,788	3,703	42,260	207	364,943	-	-	-	-	40,652	405,595
Utilities	64,347	-	-	20,096	-	84,443	-	-	-	-	190,062	274,505
Repair and maintenance	83,194	-	985	17,053	-	101,232	-	-	4,813	4,813	62,336	168,381
Professional fees	12,050	31,873	36	12	-	43,971	-	-	21,437	21,437	113,035	178,443
Postage and shipping	90	2	1,302	13	18,910	20,317	33	187,710	2,121	189,864	7,336	217,517
Miscellaneous	-	-	27	23,037	8,564	31,628	5,599	6,779	6,495	18,873	23,390	73,891
Memberships	145	137,500	564	21,377	145	159,731	385	485	110	980	18,212	178,923
Rent	18,780	-	-	3,260	-	22,040	-	-	675	675	29,853	52,568
Promotional incentives	-	-	-	-	-	-	-	71,622	-	71,622	-	71,622
Production fees	-	-	11,063	17,596	-	28,659	315	1,573	-	1,888	-	30,547
Commissions	-	-	-	-	-	-	-	22,503	-	22,503	-	22,503
Insurance	-	-	-	-	-	-	-	-	-	-	63,824	63,824
Travel and training	-	38	1,244	2,230	348	3,860	38	1,760	2,189	3,987	7,150	14,997
Supplies	236	-	4,018	23,109	962	28,325	26	1,553	2,039	3,618	3,336	35,279
Printing	-	-	1,224	40	30,391	31,655	-	7,454	4,196	11,650	2,027	45,332
Educational fees	-	-	102,186	-	-	102,186	-	-	-	-	-	102,186
Receptions	-	-	180	-	344	524	-	1,115	29,110	30,225	108	30,857
Advertising	-	-	41	100	7,122	7,263	-	725	12,019	12,744	-	20,007
	<u>\$ 1,684,222</u>	<u>\$ 1,382,206</u>	<u>\$ 392,380</u>	<u>\$ 737,628</u>	<u>\$ 209,594</u>	<u>\$ 4,406,029</u>	<u>\$ 279,632</u>	<u>\$ 649,805</u>	<u>\$ 212,630</u>	<u>\$ 1,142,067</u>	<u>\$ 1,063,347</u>	<u>\$ 6,611,443</u>

The accompanying notes are an integral part of these financial statements

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

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

	<u>Technical</u>	<u>Programming</u>	<u>Education Services</u>	<u>Production</u>	<u>Promotions</u>	<u>Total Program</u>	<u>Marketing</u>	<u>Member Services</u>	<u>Auctions and Special Events</u>	<u>Total Fundraising</u>	<u>Administrative</u>	<u>Total Expenses</u>
Salaries	\$ 296,098	\$ 180,733	\$ 171,934	\$ 489,158	\$ 145,827	\$ 1,283,750	\$ 97,456	\$ 287,620	\$ 83,747	\$ 468,823	\$ 384,694	\$ 2,137,267
Program acquisitions	-	862,135	-	-	-	862,135	-	-	-	-	-	862,135
In-kind donations	388,361	-	-	-	-	388,361	160,261	-	7,500	167,761	-	556,122
Benefits	68,394	27,161	41,981	95,402	38,382	271,320	15,903	63,465	18,149	97,517	72,477	441,314
Depreciation	223,141	1,969	2,615	29,843	146	257,714	-	-	-	-	28,707	286,421
Utilities	109,009	-	-	14,201	-	123,210	-	-	-	-	179,587	302,797
Repair and maintenance	56,068	1,409	288	85,645	-	143,410	-	-	2,423	2,423	69,579	215,412
Professional fees	40	27,500	-	3,690	-	31,230	-	1,245	4,332	5,577	132,707	169,514
Postage and shipping	86	116	3,133	210	19,600	23,145	101	153,385	2,015	155,501	882	179,528
Miscellaneous	228	15	293	4,286	7,240	12,062	-	11,648	8,483	20,131	13,500	45,693
Memberships	70	100,001	3,103	18,881	55	122,110	355	279	55	689	18,939	141,738
Rent	5,188	-	339	7,945	-	13,472	-	-	1,043	1,043	29,242	43,757
Promotional incentives	-	-	-	-	-	-	-	94,803	8,313	103,116	-	103,116
Production fees	-	72	23,025	52,276	-	75,373	-	30	1,045	1,075	-	76,448
Commissions	-	-	-	-	-	-	-	20,311	-	20,311	-	20,311
Insurance	-	-	-	-	-	-	-	-	-	-	53,004	53,004
Travel and training	1,354	2,652	5,884	7,309	2,046	19,245	270	4,896	836	6,002	8,408	33,655
Supplies	178	23	13,478	14,219	210	28,108	437	2,481	7,126	10,044	7,282	45,434
Printing	-	-	2,060	-	23,402	25,462	59	12,549	2,838	15,446	2,097	43,005
Educational fees	-	-	153,904	-	-	153,904	-	-	-	-	-	153,904
Receptions	153	-	2,418	340	110	3,021	87	2,273	40,501	42,861	1,049	46,931
Advertising	-	-	9	-	10,159	10,168	-	-	1,685	1,685	-	11,853
	<u>\$ 1,148,368</u>	<u>\$ 1,203,786</u>	<u>\$ 424,464</u>	<u>\$ 823,405</u>	<u>\$ 247,177</u>	<u>\$ 3,847,200</u>	<u>\$ 274,929</u>	<u>\$ 654,985</u>	<u>\$ 190,091</u>	<u>\$ 1,120,005</u>	<u>\$ 1,002,154</u>	<u>\$ 5,969,359</u>

The accompanying notes are an integral part of these financial statements

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 3,279,712	\$ 195,833
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	405,595	286,421
Net realized and unrealized (gains) losses on investments	(911,881)	43,890
Change in value of trust	(186,813)	9,942
Forgiveness of PPP loan	(428,200)	-
Loss on disposal of property and equipment	185,134	-
Contributions received for capital projects	-	(347,779)
Changes in:		
Accounts and contributions receivable	(17,404)	(65,626)
Due (to) from related parties	(191,721)	145,874
Prepaid expense	(34,020)	(35,690)
Accounts payable and accrued expenses	(15,878)	56,598
Deferred support and revenue	27,103	(1,464)
Accrued pension benefit obligation	(1,253,923)	486,000
Net cash provided by operating activities	857,704	773,999
Cash flows from investing activities		
Purchase of property and equipment	(376,897)	(810,914)
Purchase of investments	(1,307,404)	(2,359,162)
Proceeds from sale of investments	1,450,274	2,275,026
Net cash used by investing activities	(234,027)	(895,050)
Cash flows from financing activities		
Proceeds from line of credit	-	200,639
Payments on line of credit	-	(200,639)
Contributions received for capital purchases	-	347,779
Proceeds from issuance of PPP loan	-	428,200
Net cash provided by financing activities	-	775,979
Net change in cash	623,677	654,928
Cash, beginning of year	857,560	202,632
Cash, end of year	\$ 1,481,237	\$ 857,560
Supplemental information		
Cash paid for interest	\$ -	\$ 639

The accompanying notes are an integral part of these financial statements

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Greater Cincinnati Television Educational Foundation (the Organization) is a tax-exempt corporation under Section 501 (c)(3) of the Internal Revenue Code. The Organization owns and operates a noncommercial broadcasting station in the State of Ohio, specifically WCET Channel 48 in Cincinnati. 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 CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

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, 2021 and 2020.

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, 2021 and 2020.

Broadcast Licenses

The Organization has one non-commercial broadcast license agreement with the Federal Communications Commission. The license agreement provides the Organization the right to broadcast televised programs in the Cincinnati, Ohio, area and was 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 CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

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, 2021 and 2020 are expected to be collected within one year. At June 30, 2021 and 2020, the provision for uncollectible contributions receivable was \$39,845 and \$35,845, 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.

Revenue Recognition

The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine the proper revenue recognition method, the Organization evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as single or more than one performance obligation.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

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

Revenue Recognition (Continued)

Underwriting Revenues

Revenue from contracts with customers is recognized from program underwriting. These contracts consist of performance obligations to broadcast underwriting announcements during televised programming and are reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing services. Each televised announcement is determined to be a distinct performance obligation. The transaction price is stated in the contracts and is known at the time of contract inception. The Organization determines the transaction price based on standard charges for goods and services provided. Underwriting revenue is recognized at a point in time when the announcements are televised. At times, the Organization will enter into a trade agreement with a business in which underwriting announcements are provided in exchange for tickets, gift cards or media sponsorships. Noncash trade agreements for underwriting are recorded at fair value. Customers are billed for underwriting spots at the time the underwriting agreement is signed, and payment is due monthly throughout the underwriting period. Contract liabilities (deferred revenue) associated with underwriting revenues was \$12,759 as of June 30, 2021.

Membership Revenues

Revenue from memberships are in part contributions and in part exchange transactions. The exchange transaction portion of membership revenues is subject to the guidance in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 606, *Revenue from Contracts with Customers* and the contribution portion of membership revenue is subject to the guidance in FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. The Organization determines the fair value of goods and services provided to members as the exchange portion. The residual portion of revenue from memberships are contributions. Management's determination of fair value of the exchange transaction portion of membership revenue requires significant judgement. The Organization's primary performance obligation for the exchange portion of the memberships is to provide a one-time access code to PBS Passport, a streaming product that is not controlled by the Organization, to members who contribute more than \$60 per year. In accordance with ASC 606-10-55-38, the Organization is considered to be an agent in the transaction as the entity is merely arranging for the goods or services to be provided to the customer, rather than providing the specified goods or services itself. For the year ended June 30, 2021, exchange transaction revenue recognized was approximately \$277,000. The Organization recognizes revenue from the exchange transaction portion of membership revenues at the point in time the one-time access code is transferred to its members. Set pricing is used for memberships with payments either being received in advance of receiving the benefits or billed monthly for sustaining memberships. There are no contract liabilities (deferred revenue) associated with membership revenues as of June 30, 2021.

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.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

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

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.

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 2020 figures were reclassified to confirm to the 2021 presentation.

Effect of Adopting New Accounting Standards

In 2021, the Organization adopted Financial Accounting Standards Board ("FASB") 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. The most significant impact of the adoption of this ASU is expanded disclosures for revenue recognition.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

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

Recently Issued Accounting Standards

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.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard increases transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. These include separate presentation in the statement of activities, disaggregation by type, policy and qualitative information about monetization and utilization, description of valuation techniques and inputs used to arrive at a fair value measure, and donor-imposed restrictions associated with the contributed nonfinancial assets. This standard will be effective for the Organization's fiscal year ended June 30, 2022.

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

Subsequent Events

The Organization has evaluated subsequent events through January 11, 2022, which is the date the financial statements were available to be issued.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

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:

	2021	2020
Cash	\$ 1,481,237	\$ 857,560
Accounts receivable, net	238,484	246,748
Contributions receivable, net	229,652	203,984
Due from related parties	69,236	1,052,959
Investments	3,564,348	2,795,337
Beneficial interest in perpetual trusts	973,808	786,995
Total financial assets	6,556,765	5,943,583
Less: endowment funds	(3,322,356)	(2,592,111)
Less: beneficial interest in perpetual trusts	(973,808)	(786,995)
Less: net assets restricted for capital projects	(6,034)	(207,100)
Financial assets available for general expenditures within one year	\$ 2,254,567	\$ 2,357,377

The Organization's endowment funds consist of a donor-restricted endowment and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and therefore, is not available for general expenditures. As described in Note 11, 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.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

**Notes to Financial Statements
(Continued)**

NOTE 3 INVESTMENTS AT FAIR VALUE

Investments are summarized as follows:

	2021	2020
Level 1		
Equity mutual funds	\$ 2,891,947	\$ 1,581,525
Fixed income mutual funds	597,368	1,108,687
Level 2		
Money market funds	75,033	105,125
	\$ 3,564,348	\$ 2,795,337

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.

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, 2019	\$ 796,937
Change in value	(9,942)
Balance at June 30, 2020	786,995
Change in value	186,813
Balance at June 30, 2021	\$ 973,808

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2021	2020
Technical equipment	\$ 6,160,725	\$ 6,564,300
Tower, antenna, and transmitting equipment	5,866,720	5,072,431
Buildings and improvements	5,975,276	5,881,185
Furniture, fixtures, and office equipment	1,217,079	1,265,784
Vehicles	58,485	58,485
Construction in progress	-	-
Less accumulated depreciation	(15,452,333)	(16,272,233)
	\$ 3,825,952	\$ 2,569,952

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, 2021:

	Cost	Federal Interest	Expiration of Federal Interest
Technical equipment	\$ 554,850	\$ 277,425	10/1/2021

NOTE 6 LINE OF CREDIT

CET 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 collateralized investments held at the Bank which totaled \$3,322,356 and \$2,592,111 at June 30, 2021 and 2020, respectively. The maximum credit available on this facility totaled \$1,825,006 and \$1,527,742 at June 30, 2021 and 2020, respectively. Interest is charged on amounts borrowed against the line at the one-month LIBOR rate (0.07% and 0.18% at June 30, 2021 and 2020, respectively) plus 0.95% and 0.95% at June 30, 2021 and 2020, respectively. There was no outstanding balance at June 30, 2021 and 2020.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

**Notes to Financial Statements
(Continued)**

NOTE 7 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On April 8, 2020, the Organization qualified for and received a loan 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 \$428,200 (the “PPP Loan”). The PPP Loan bore 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 were unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan was 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. On April 28, 2021, the Organization received notification from the bank that the loans were fully forgiven and used in accordance with the Program requirements. Accordingly, the full amount was recognized as forgiveness of PPP loan revenue in 2021.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Restricted as to period of use:		
Operating support	\$ 458,558	\$ -
Time restrictions	69,834	73,510
Restricted as to purpose:		
Capital projects	6,034	207,100
Programming activities	10,000	10,000
Education and training	2,000	2,000
Beneficial interest in trust	973,808	786,995
Donor-restricted endowments	188,720	188,720
	\$ 1,708,954	\$ 1,268,325

NOTE 9 RETIREMENT PLANS

Defined Contribution Retirement Plan

CET 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, 2021 and 2020 were \$42,914 and \$35,780, respectively.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

NOTE 9 RETIREMENT PLANS (CONTINUED)

Defined Benefit Retirement

CET has a noncontributory defined benefit pension plan covering all employees who meet certain eligibility requirements. Benefits are based upon years of service and the employee's compensation. CET's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus any amounts the Organization determines to be appropriate from time to time. The plan was amended to freeze benefit accruals effective May 1, 2009 and no new participants were eligible to enter the plan at that time.

During 2021, the plan was terminated, and all plan liabilities were settled by June 30, 2021 through lump sum pay outs and purchase of annuities. These settlements have been recorded in the changes in benefits and plan obligations for the year ended June 30, 2021. In addition, a settlement gain has been recorded as a component of net periodic benefit cost recognized in the statement of activities for the year ended June 30, 2021.

The following table presents the changes in benefit obligations and changes in plan assets for the years ended June 30:

	2021	2020
Changes in benefit obligation:		
Benefit obligation, beginning of year	\$ 6,955,542	\$ 6,469,056
Interest cost	218,409	203,133
Actuarial gain (loss)	(210,617)	558,464
Settlement	(6,680,577)	-
Benefits paid	(282,757)	(275,111)
Benefit obligation, end of year	\$ -	\$ 6,955,542
Changes in plan assets:		
Fair value of plan assets, beginning of year	\$ 5,701,619	\$ 5,701,133
Actual return on plan assets	1,016,715	200,597
Settlement	(6,680,577)	-
Employer contributions	245,000	75,000
Benefits paid	(282,757)	(275,111)
Fair value of plan assets, end of year	\$ -	\$ 5,701,619

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

NOTE 9 RETIREMENT PLANS (CONTINUED)

The funded status and amounts recognized in the Organization's statements of financial position at June 30 were as follows:

	2021	2020
Projected benefit obligation	\$ -	\$ 6,955,542
Fair value of plan assets	-	5,701,619
Accrued pension benefit obligation	\$ -	\$ 1,253,923

Significant assumptions used in accounting for the pension plan as of June 30 were as follows:

	2021	2020
Discount rate for benefit obligation	N/A	2.31%
Discount rate for net periodic benefit cost	N/A	3.23%
Expected return on plan assets	N/A	5.12%

The components of net periodic benefit cost (credit) recognized in the statements of activities and changes in net assets for the years ended June 30 were as follows:

	2021	2020
Interest cost	\$ 218,409	\$ 203,133
Actual return on plan assets	(1,016,715)	(286,511)
Amortization of net actuarial loss	-	97,494
	\$ (798,306)	\$ 14,116

Plan assets

The Organization has investment guidelines for plan assets. The overall objective of the guidelines is to ensure the plan assets provide capital growth over an extended period of time, while also considering market risks and ensuring that the portfolio income and liquidity are appropriate to meet the plan benefit payments and other expenses. The plan investments are required to be diversified by asset class and within each asset class, in order to ensure that no single investment will have a disproportionate impact on the total portfolio. The plan asset allocation is reviewed each year with current market assumptions to ensure the asset mix will achieve the long-term goals of the plan. The plans target allocation is 70% equity securities and 30% debt securities, with an acceptable range of 35% to 85% for equity securities and a range of 15% to 65% for debt securities.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

**Notes to Financial Statements
(Continued)**

NOTE 9 RETIREMENT PLANS (CONTINUED)

The following table sets forth by level within the fair value hierarchy, the Plan's assets at fair value as of June 30:

	2021	2020
Level 1		
Equity mutual funds	-	\$ 4,060,097
Fixed income mutual funds	-	1,387,908
Level 2		
Money market funds	-	253,614
	\$ -	\$ 5,701,619

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.

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 10 RENTAL INCOME

CET leases office space and equipment to Cincinnati Public Radio under a non-cancelable operating lease agreement that expires in October 2022. Rental income under this lease was \$247,909 and \$250,546 for the years ended June 30, 2021 and 2020, respectively.

Future annual minimum lease receipts at June 30, 2021 are as follows:

2022	\$ 94,881
2023	6,853
	\$ 101,734

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

NOTE 11 ENDOWMENT

The Organization's endowment consists of a board-designated and donor-restricted 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.

Interpretation of Relevant Law

The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as original corpus (a) the original value of gifts donated to the donor-restricted endowment and (b) the original value of subsequent gifts to the donor-restricted endowment. The remaining portion of the donor-restricted endowment fund that is not classified in original corpus is classified as accumulated earnings.

Changes in the endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	Board Designated	Donor-Restricted		Total
		Accumulated Earnings	Original Corpus	
Endowment net assets - 6/30/19	\$ 2,373,179	\$ -	\$ 188,720	\$ 2,561,899
Investment return, net	32,190	2,344	-	34,534
Appropriations for expenditure	(1,978)	(2,344)	-	(4,322)
Endowment net assets - 6/30/20	2,403,391	-	188,720	2,592,111
Investment return, net	770,033	43,740	-	813,773
Appropriations for expenditure	(39,788)	(43,740)	-	(83,528)
Endowment net assets - 6/30/21	\$ 3,133,636	\$ -	\$ 188,720	\$ 3,322,356

Investment Policy

Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, the primary objective 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.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

NOTE 11 ENDOWMENT (CONTINUED)

Spending Policy

The Organization's current spending policy is to transfer all investment return from the donor-restricted endowment fund into the board-designated endowment fund, as stipulated by the donor at the time of the gift. 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 12 SIGNIFICANT CONCENTRATIONS

The Corporation for Public Broadcasting (CPB) is a major source of funding for the Organization. The Organization received \$1,624,545 and \$1,225,059 from CPB, representing approximately 18% and 13% of total revenue and support for 2021 and 2020, respectively.

NOTE 13 RELATED PARTY TRANSACTIONS

Public Media Connect (PMC) is the sole member of the Organization, Greater Dayton Public Television (GDPT) and Southwestern Ohio Instructional Technology Association (SOITA).

The Organization has an employee sharing arrangement with GDPT which provides for the allocation of salaries and benefits between the Organization and GDPT. For the years ended June 30, 2021 and 2020, \$379,373 and \$456,769 was the net amount paid by the Organization for salaries and benefits on behalf of GDPT, respectively. Additionally, GDPT transferred \$1,469,832 of technical and transmitting equipment to the Organization during 2021, which was to be reimbursed by the Organization. The net amount due (to) from GDPT for these allocations and transfers as of June 30, 2021 and 2020 was (\$327,422) and \$984,723, respectively, and is included in due (to) from 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 2021 and 2020, PMC transferred \$283,216 and \$52,380 to the Organization, respectively. These amounts are included in memberships and other contributions on the statement of activities. As of June 30, 2021 and 2020, PMC owed the Organization a net amount of \$68,236. These amounts are recognized as due from related party on the statement of financial position.

Additionally, the Organization will occasionally reimburse SOITA for shared expenses. The net amount due (to) from SOITA as of June 30, 2021 and 2020 was \$1,000 and (\$33,034), respectively. These amounts are recognized as due (to) from related party on the statement of financial position.

NOTE 14 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, 2021. 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.

GREATER CINCINNATI TELEVISION EDUCATIONAL FOUNDATION

Notes to Financial Statements (Continued)

NOTE 15 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.