

Greater Dayton Public Television, Inc.

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

GREATER DAYTON PUBLIC TELEVISION, INC.
June 30, 2021 and 2020

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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, 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 Dayton Public Television, Inc. 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 DAYTON PUBLIC TELEVISION, INC.

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

	2021	2020
Assets		
Cash	\$ 920,145	\$ 809,463
Accounts receivable, net	174,377	273,693
Contributions receivable, net	303,102	259,979
Due from related parties	327,422	-
Prepaid expense	132,917	143,408
Investments	2,054,878	1,620,109
Beneficial interest in perpetual trusts	42,846	36,291
Prepaid rent	118,388	161,438
Property and equipment, net	3,940,703	5,346,597
Total assets	\$ 8,014,778	\$ 8,650,978
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 152,847	\$ 314,681
Accrued expenses	414,352	393,735
Paycheck Protection Program (PPP) loan	-	533,632
Due to related parties	40,000	1,083,399
Deferred support and revenue	26,300	18,005
Total liabilities	633,499	2,343,452
Net Assets		
Without donor restrictions	6,817,857	6,271,235
With donor restrictions	563,422	36,291
Total net assets	7,381,279	6,307,526
Total liabilities and net assets	\$ 8,014,778	\$ 8,650,978

The accompanying notes are an integral part of these financial statements

GREATER DAYTON PUBLIC TELEVISION, INC.

**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	\$ 1,065,217	\$ 520,576	\$ 1,585,793
State of Ohio:			
Operating Subsidy	198,196	-	198,196
Educational Subsidy	260,784	-	260,784
In-kind donations	391,598	-	391,598
Forgiveness of PPP loan	533,632	-	533,632
Montgomery County	42,009	-	42,009
Total support	2,491,436	520,576	3,012,012
Revenue:			
Memberships and other contributions	2,495,038	-	2,495,038
Donated services	12,750	-	12,750
Acquired program underwriting	411,653	-	411,653
Auction and special events	(2,000)	-	(2,000)
Contract production services	140,750	-	140,750
Educational services	112,945	-	112,945
Rental income	521,010	-	521,010
Investment income	417,028	-	417,028
Promotion and miscellaneous	86,935	-	86,935
Loss on disposal of property and equipment	(334,958)	-	(334,958)
Change in value of trust	-	6,555	6,555
Total revenue	3,861,151	6,555	3,867,706
Net assets released from restrictions	-	-	-
Total support and revenue	6,352,587	527,131	6,879,718
Expenses			
Broadcasting and telecommunication service	3,956,448	-	3,956,448
Fundraising	732,730	-	732,730
Administrative	1,116,787	-	1,116,787
Total expenses	5,805,965	-	5,805,965
Change in net assets	546,622	527,131	1,073,753
Net assets, beginning of year	6,271,235	36,291	6,307,526
Net assets, end of year	\$ 6,817,857	\$ 563,422	\$ 7,381,279

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
Support and revenue			
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 underwriting	307,695	-	307,695
Auction and special events	46,226	-	46,226
Contract production services	59,850	-	59,850
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
Expenses			
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
Change in net assets	3,026,469	(1,747,507)	1,278,962
Net assets, beginning of year	3,244,766	1,783,798	5,028,564
Net assets, end of year	\$ 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 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	\$ 298,506	\$ 145,063	\$ 193,206	\$ 412,389	\$ 127,264	\$ 1,176,428	\$ 79,171	\$ 280,338	\$ 3,231	\$ 362,740	\$ 419,842	\$ 1,959,010
Program acquisitions	-	787,364	-	-	-	787,364	-	1,003	-	1,003	-	788,367
In-kind donations	391,598	-	-	-	-	391,598	12,750	-	-	12,750	-	404,348
Benefits	52,141	35,273	38,976	97,262	23,356	247,008	18,336	49,497	1,885	69,718	105,466	422,192
Depreciation	353,840	3,122	4,146	47,322	231	408,663	-	-	-	-	45,521	454,184
Utilities	60,868	-	-	12,787	-	73,655	-	-	-	-	95,779	169,434
Repair and maintenance	109,698	-	385	27,844	-	137,927	-	-	-	-	99,255	237,182
Professional fees	6,000	87,540	166	8,441	-	102,147	-	2	-	2	142,028	244,177
Postage and shipping	2,243	43	716	163	13,845	17,010	-	155,733	-	155,733	518	173,261
Miscellaneous	728	-	89	1,016	8,793	10,626	9,853	8,463	2,560	20,876	5,767	37,269
Memberships	143	150,521	378	2,909	90	154,041	565	110	-	675	38,181	192,897
Rent	68,055	-	-	2,794	-	70,849	-	-	-	-	77,591	148,440
Promotional incentives	-	-	-	-	-	-	-	70,778	-	70,778	-	70,778
Production fees	-	-	14,864	50,813	-	65,677	2,729	-	-	2,729	-	68,406
Commissions	-	-	-	-	-	-	-	26,703	-	26,703	-	26,703
Insurance	-	-	-	-	-	-	-	-	-	-	61,868	61,868
Travel and training	764	38	450	1,474	124	2,850	-	459	-	459	6,845	10,154
Supplies	4,833	24	5,999	21,267	636	32,759	1,540	1,227	67	2,834	16,017	51,610
Printing	25	-	-	345	20,261	20,631	20	5,376	-	5,396	2,034	28,061
Educational fees	-	-	251,479	-	-	251,479	-	-	-	-	-	251,479
Receptions	-	-	180	-	313	493	-	234	-	234	75	802
Advertising	-	-	116	100	5,027	5,243	100	-	-	100	-	5,343
	<u>\$ 1,349,442</u>	<u>\$ 1,208,988</u>	<u>\$ 511,150</u>	<u>\$ 686,926</u>	<u>\$ 199,940</u>	<u>\$ 3,956,448</u>	<u>\$ 125,064</u>	<u>\$ 599,923</u>	<u>\$ 7,743</u>	<u>\$ 732,730</u>	<u>\$ 1,116,787</u>	<u>\$ 5,805,965</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, 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	\$ 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.

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

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 1,073,753	\$ 1,278,962
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	454,184	376,566
Net realized and unrealized (gains) losses on investments	(385,162)	19,962
Change in value of trust	(6,555)	1,210
Forgiveness of PPP loan	(533,632)	-
Loss on disposal of property and equipment	334,958	-
Contributions received for capital projects	-	1,023,977
Changes in:		
Accounts and contributions receivable	56,193	(138,327)
Prepaid expense and rent	53,541	21,740
Accounts payable and accrued expenses	(141,217)	136,294
Due (to) from related parties	99,011	(14,164)
Deferred support and revenue	8,295	18,005
	1,013,369	2,724,225
Cash flows from investing activities		
Purchase of property and equipment	(853,080)	(1,445,491)
Purchase of investments	(454,634)	(713,316)
Proceeds from sale of investments	405,027	661,658
	(902,687)	(1,497,149)
Cash flows from financing activities		
Proceeds from line of credit	-	445,161
Payments on line of credit	-	(445,161)
Contributions received for capital purchases	-	(1,023,977)
Proceeds from issuance of PPP loan	-	533,632
	-	(490,345)
Net change in cash	110,682	736,731
Cash, beginning of year	809,463	72,732
Cash, end of year	\$ 920,145	\$ 809,463
Supplemental information		
Cash paid for interest	\$ -	\$ 5,264

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, 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 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, 2021 and 2020 are expected to be collected within one year. At June 30, 2021 and 2020, the provision for uncollectible contributions receivable was \$53,810 and \$45,810, 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.

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 DAYTON PUBLIC TELEVISION, INC.

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 \$26,300 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 \$293,000. 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 DAYTON PUBLIC TELEVISION, INC.

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 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 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 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:

	2021	2020
Cash	\$ 920,145	\$ 809,463
Accounts receivable, net	174,377	273,693
Contributions receivable, net	303,102	259,979
Investments	2,054,878	1,620,109
Beneficial interest in perpetual trusts	42,846	36,291
Total financial assets	3,495,348	2,999,535
Less: endowment funds	(1,858,889)	(1,456,807)
Less: beneficial interest in perpetual trusts	(42,846)	(36,291)
Financial assets available for general expenditures within one year	\$ 1,593,613	\$ 1,506,437

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:

	2021	2020
Level 1		
Equity mutual funds	\$ 987,835	\$ 675,493
Fixed income mutual funds	172,174	234,173
Level 2		
Funds held at Dayton Foundation	865,560	681,134
Money market funds	29,309	29,309
	\$ 2,054,878	\$ 1,620,109

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, 2019	\$ 37,501
Change in value	<u>(1,210)</u>
Balance at June 30, 2020	36,291
Change in value	<u>6,555</u>
Balance at June 30, 2021	<u>\$ 42,846</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:

	2021	2020
Technical equipment	\$ 5,156,513	\$ 5,609,910
Tower, antenna, and transmitting equipment	4,727,589	9,194,783
Buildings and improvements	2,146,507	2,159,307
Furniture, fixtures, and office equipment	527,042	533,394
Land and improvements	147,123	147,122
Vehicles	38,611	89,862
Less accumulated depreciation	(8,802,682)	(12,387,781)
	\$ 3,940,703	\$ 5,346,597

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 and 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 \$993,420 and \$775,764 at June 30, 2021 and 2020, respectively. The maximum credit available on this facility totaled \$542,617 and \$456,909 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 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 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 \$533,632 (the "PPP Loans"). 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 were 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 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, 2021 and 2020 are \$187,885 and \$163,113, 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>2021</u>	<u>2020</u>
Restricted as to period of use:		
Operating support	\$ 520,576	\$ -
Beneficial interest in trusts	<u>42,846</u>	<u>36,291</u>
	<u>\$ 563,422</u>	<u>\$ 36,291</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, 2021 and 2020 were 107,738 and \$64,527, 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 in 2040. Rental income associated with these leases totaling \$521,010 and \$502,181 were recognized for the years ended June 30, 2021 and 2020, respectively.

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

2022	\$ 495,605
2023	505,074
2024	514,826
2025	524,870
2026	535,217
Thereafter	<u>8,771,426</u>
	<u>\$ 11,347,018</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, 2021 were \$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 \$118,388 and \$161,438 at June 30, 2021 and 2020, 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 \$148,440 and \$139,119 during the years ended June 30, 2021 and 2020, 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, 2021 and 2020 are as follows:

	<u>Board Designated</u>
Endowment net assets - 6/30/19	\$1,449,372
Investment return, net	19,343
Appropriations for expenditure	<u>(11,908)</u>
Endowment net assets - 6/30/20	1,456,807
Investment return, net	417,028
Appropriations for expenditure	<u>(14,946)</u>
Endowment net assets - 6/30/21	<u><u>\$1,858,889</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 \$1,585,793 and \$1,248,901 from CPB, representing approximately 23% and 17% of total revenue and support for 2021 and 2020, 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, 2021 and 2020, \$379,373 and \$456,769 was the net amount paid by CET for salaries and benefits on behalf of the Organization, respectively. Additionally, the Organization transferred \$1,469,832 of technical and transmitting equipment to CET during 2021, which was to be reimbursed by CET. The net amount due (to) from CET for these allocations 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 \$365,965 and \$287,619 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, 2021 and 2020.

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, 2021 and 2020 was \$40,000 and \$98,676, 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, 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.

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.