

**WSKG PUBLIC TELECOMMUNICATIONS
COUNCIL**

**FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021
AND FOR THE YEARS THEN ENDED**

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
WSKG Public Telecommunications Council

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of WSKG Public Telecommunications Council (a nonprofit New York corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WSKG Public Telecommunications Council as of June 30, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report. We are required to be independent of WSKG Public Telecommunications Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WSKG Public Telecommunications Council's ability to continue as a going concern for one year after the date that the financial statements are issued.

YOUR PATH. YOUR FUTURE.

Davidson Fox & Company, LLP

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fairview Recovery Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fairview Recovery Services, Inc.'s ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of activities by category on pages 24 and 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited WSKG Public Telecommunications Council's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Davidson, Fox & Company, LLP

Binghamton, New York
February 8, 2023

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 625,373	\$ 1,527,714
Receivables		
Business sponsorship accounts, net	181,848	73,860
Grants and other promises to give, net	55,000	5,500
Pledges, net	443,919	403,442
Investments	768,384	793,682
Programming rights, current portion	40,502	39,134
Other current assets	<u>72,382</u>	<u>66,896</u>
 TOTAL CURRENT ASSETS	 <u>2,187,408</u>	 <u>2,910,228</u>
 OTHER ASSETS		
Investment in Centralcast, LLC	540,100	489,770
Investments, endowment fund	423,873	161,393
Programming rights, net of current portion	24,775	27,508
Broadcasting facilities and equipment, net	3,093,940	3,543,882
Aquisitions in progress	<u>861,058</u>	<u>32,251</u>
 TOTAL OTHER ASSETS	 <u>4,943,746</u>	 <u>4,254,804</u>
	\$ <u><u>7,131,154</u></u>	\$ <u><u>7,165,032</u></u>

See accompanying notes to financial statements

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 63,042	\$ 63,042
Accounts payable	134,403	223,130
Accrued expenses	431,183	332,237
Deferred revenues, current portion	<u>84,951</u>	<u>854,671</u>
TOTAL CURRENT LIABILITIES	<u>713,579</u>	<u>1,473,080</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	467,559	530,601
Deferred revenues, net of current portion	113,364	151,152
Lease deposits	<u>12,000</u>	<u>16,500</u>
TOTAL LONG-TERM LIABILITIES	<u>592,923</u>	<u>698,253</u>
TOTAL LIABILITIES	<u>1,306,502</u>	<u>2,171,333</u>
NET ASSETS		
Without donor restrictions	5,488,415	4,941,020
With donor restrictions	<u>336,237</u>	<u>52,679</u>
TOTAL NET ASSETS	<u>5,824,652</u>	<u>4,993,699</u>
	\$ <u>7,131,154</u>	\$ <u>7,165,032</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	June 30, 2022		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total <u>2022</u>
SUPPORT AND REVENUE			
Membership and contributions	\$ 2,565,074	\$ 283,558	\$ 2,848,632
Government grants and support	2,870,300	-	2,870,300
Program sponsorship	667,887	-	667,887
Net investment gain	(47,023)	-	(47,023)
Income (loss) from Centralcast, LLC	50,330	-	50,330
Other	80,429	-	80,429
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>6,186,997</u>	<u>283,558</u>	<u>6,470,555</u>
EXPENSES			
Program services	3,920,651	-	3,920,651
Support services	<u>1,718,951</u>	<u>-</u>	<u>1,718,951</u>
TOTAL EXPENSES	<u>5,639,602</u>	<u>-</u>	<u>5,639,602</u>
CHANGE IN NET ASSETS	547,395	283,558	830,953
NET ASSETS, beginning	<u>4,941,020</u>	<u>52,679</u>	<u>4,993,699</u>
NET ASSETS, ending	\$ <u>5,488,415</u>	\$ <u>336,237</u>	\$ <u>5,824,652</u>

See accompanying notes to financial statements

June 30, 2021

Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total <u>2021</u>
\$ 2,421,015	\$ -	\$ 2,421,015
2,746,754	-	2,746,754
570,480	-	570,480
117,913	-	117,913
42,115	-	42,115
43,845	-	43,845
272,589	-	272,589
<u>-</u>	<u>-</u>	<u>-</u>
<u>6,214,711</u>	<u>-</u>	<u>6,214,711</u>
3,606,636	-	3,606,636
<u>1,643,316</u>	<u>-</u>	<u>1,643,316</u>
<u>5,249,952</u>	<u>-</u>	<u>5,249,952</u>
964,759	-	964,759
<u>3,976,261</u>	<u>52,679</u>	<u>4,028,940</u>
\$ <u><u>4,941,020</u></u>	\$ <u><u>52,679</u></u>	\$ <u><u>4,993,699</u></u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR JUNE 30, 2021

	Program Services					Support Services					2021 Total
	Youth Focused	News and Public Affairs	Arts and Culture	History and Heritage	Engineering	Total Programs	Business Sponsorship and Development	Strategic Planning and Community Development	General and Administrative	Total Support	
(1) Salaries and wages	\$ 190,867	\$ 485,673	\$ 56	\$ 291,710	\$ 175,612	\$ 1,143,918	\$ 496,928	\$ 184,073	\$ 28,962	\$ 709,963	\$ 1,701,292
(2) Payroll taxes	13,979	33,659	-	20,193	13,015	80,846	35,989	12,614	2,242	50,845	120,145
(3) Employee fringe benefits	127,607	66,908	-	74,984	1,808	271,307	56,929	8,061	2,629	67,619	324,893
(4) Professional development	291	1,677	-	1,242	95	3,305	1,316	3,898	-	5,214	8,519
(5) Travel and functions	537	5,450	-	3,147	156	9,290	3,929	-	1,151	5,080	14,370
(6) Program acquisitions	-	335,561	70,533	-	-	406,094	-	-	-	-	390,455
(7) Network fees	2,217	291,953	35,098	7	40,506	369,781	2,207	-	-	2,207	351,406
(8) Printing	-	-	-	-	-	-	237	-	-	237	85
(9) Building lease	-	-	-	-	269,427	269,427	-	-	-	-	263,907
(10) Equipment rental and lease	-	-	-	-	-	-	-	3,931	-	3,931	4,335
(11) Repairs and maintenance	-	-	-	-	122,655	122,655	120,172	-	110	120,282	198,009
(12) Professional fees	-	2,109	8,190	-	-	10,299	-	70,459	111,595	182,054	171,031
(13) Office supplies	89	1,061	-	-	267	1,417	124	3,421	1,252	4,797	5,397
(14) Postage and shipping	34	-	-	60	182	276	21,834	-	422	22,256	6,251
(15) Production and supplies	35,569	896	497,712	18,148	140,617	692,942	176	-	-	176	653,988
(16) Advertising	-	-	-	-	-	-	10,825	3,315	-	14,140	27,049
(17) Premiums	-	-	-	-	-	-	13,562	-	-	13,562	43,874
(18) Dues and subscriptions	504	1,806	403	194	-	2,907	9,916	4,305	-	17,128	17,795
(19) Other program expenditures	4,919	-	-	-	-	4,919	-	-	-	4,919	23,562
(20) Special events/planned giving	319	1,800	-	-	-	2,119	7,845	-	-	7,845	9,537
(21) Information technology	-	-	-	-	12,634	12,634	483	6,420	-	6,903	38,167
(22) Telemarketing	-	-	-	-	-	-	7,886	-	-	7,886	12,661
(23) Direct mail	-	-	-	-	-	-	101,346	-	-	101,346	74,652
(24) APTS/APBS Council expense	-	-	-	-	-	-	-	26,615	-	26,615	32,747
(25) Miscellaneous	19	1,731	2,376	25,953	46	30,125	59,225	517	46,414	106,156	97,496
(26) Subtotal	376,951	1,230,284	614,368	435,638	777,020	3,434,261	950,929	327,629	194,777	1,473,335	4,576,704
(27) Insurance	-	-	-	-	-	-	-	-	85,725	85,725	77,640
(28) Interest	-	-	-	-	-	-	-	-	26,300	26,300	27,188
(29) Utilities	-	-	-	-	134,532	134,532	-	-	-	-	134,532
(30) Telephone	960	4,359	-	960	2,029	8,308	2,214	696	28,349	31,259	147,667
(31) Depreciation & amortization	18,746	82,107	177,461	11,248	53,988	343,550	63,986	13,622	24,724	102,332	35,034
(32) Total functional expenses	\$ 396,657	\$ 1,316,750	\$ 791,829	\$ 447,846	\$ 967,569	\$ 3,920,651	\$ 1,017,129	\$ 341,947	\$ 359,875	\$ 1,718,951	\$ 5,249,952

See accompanying notes to financial statements

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 830,953	\$ 964,759
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	445,882	385,719
Loss on disposal of property and equipment	159,964	-
Unrealized (gain) loss on investments	60,650	(34,645)
Gain from investment in Centralcast, LLC	(50,330)	(43,845)
Non-cash contributions	-	(6,000)
PPP loan forgiveness	-	(415,400)
(Increase) decrease in		
Receivables	(197,965)	17,508
Programming rights	1,365	(6,834)
Other assets	(5,486)	(18,467)
Increase (decrease) in		
Accounts payable	(88,727)	(359,163)
Accrued expenses	98,946	60,195
Deferred income	<u>(807,508)</u>	<u>933,350</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>443,244</u>	<u>1,477,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and acquisitions in progress	(984,711)	(491,891)
Purchases of investments	<u>(297,832)</u>	<u>(786,324)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,282,543)</u>	<u>(1,278,215)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	<u>(63,042)</u>	<u>(54,482)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(902,341)	144,480
CASH AND CASH EQUIVALENTS, beginning	<u>1,527,714</u>	<u>1,383,234</u>
CASH AND CASH EQUIVALENTS, ending	\$ <u><u>625,373</u></u>	\$ <u><u>1,527,714</u></u>

See accompanying notes to financial statements

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

ORGANIZATION

Nature of Operations

The Council is a non-profit New York Corporation, which operates a non-commercial public television station with four channels (WSKG, PBS Kids, World, and Create) and two non-commercial public FM radio stations (WSKG and WSQX) covering 21 counties in New York and Pennsylvania. The Council maintains its accounting records in conformity with the Principles of Accounting and Financial Reporting for Public Telecommunication Entities mandated by The Corporation for Public Broadcasting (CPB), which is in accordance with generally accepted accounting principles.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. During 2018, the Organization adopted the provisions of Accounting Standards Update (ASU) 2016-14: *Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*, which improves the current net asset classification and the related information presented in the consolidated financial statements and notes about the Organization's liquidity, financial performance, and cash flows.

Basis of Accounting

The Council uses the accrual method of accounting, recognizing revenues as earned and expenses as incurred, and conforms to standards of accounting and reporting appropriate to not-for-profit organizations. With the adoption of ASU 2016-14, the financial statements presentation of net assets has been modified, eliminating unrestricted, temporarily restricted, and permanently restricted classifications, and replacing them with the following.

Net assets without donor restrictions – Net assets without donor-imposed restrictions and are available for use at the discretion of the Board and/or management for general operating purposes.

Net assets with donor restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Council considers cash on hand, deposits, and securities with maturities of three months or less to be cash equivalents.

Programming Rights

Programming rights represent costs incurred for programs not yet telecast. These are programs that will be aired principally in the next fiscal year. Such rights are amortized over the contract period.

Accounts and Pledges Receivable

Business sponsorship accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off. Based on management's evaluation of uncollected accounts and pledges receivable at the end of each year, bad debts are provided for on the allowance method.

Details of business sponsorship accounts and pledges receivable as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Business sponsorship accounts receivable	\$ 195,600	\$ 86,768
Allowance for doubtful accounts	<u>(13,752)</u>	<u>(12,907)</u>
Business sponsorship and trade accounts receivable, net	\$ <u>181,848</u>	\$ <u>73,860</u>
Pledges receivable	\$ 493,240	\$ 448,269
Allowance for doubtful accounts	<u>(49,321)</u>	<u>(44,827)</u>
Pledges receivable, net	\$ <u>443,919</u>	\$ <u>403,442</u>

Grants Receivable and Promises to Give

As of June 30, the Council had grants receivable and promises to give from various organizations, as follows:

	<u>2022</u>	<u>2021</u>
Cornell University	\$ 55,000	\$ -
Public Broadcasting Service	<u>-</u>	<u>5,500</u>
Grants and other promises to give, net	\$ <u>55,000</u>	\$ <u>5,500</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory is stated at the lower of cost or market value and is accounted for on a first-in, first-out (FIFO) basis. Inventory is included in other current assets on the balance sheet. As of June 30, 2022 and 2021, inventory amounted to \$22,153 and \$18,498, respectively, and is included in other current assets.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Broadcasting Facilities and Equipment

Broadcasting facilities and equipment are recorded at cost. Contributed property and equipment is recorded at its fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as with donor restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restricted support. Expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal or retirement of assets, the cost and accumulated depreciation or amortization is eliminated from the accounts and any resulting gain or loss is included in income. Depreciation is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Vehicles	3 - 7
Furniture and equipment	5 - 25
Building and improvements	10 - 30

Income Tax Status

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Council's tax-exempt purpose is subject to taxation as unrelated business income.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The Council adopted the new standard effective July 1, 2020, the first day of The Council's fiscal year, using the full retrospective method. Analysis of various provisions of this standard resulted in no significant changes in the way The Council recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Additionally, The Council applied the practical expedient not to disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations relate to contracts with an expected duration of less than one year. The Council's adoption of ASC 606 did not materially impact the timing or amount of revenue recognized and thus has no material impact on the financial statements at June 30, 2022 and 2021.

The Council's significant revenue recognition policies relative to its primary sources of revenue, contributions & grants, program sponsorship, and membership are outlined below. Additional revenue disaggregation for rental and miscellaneous income can be found in notes 13 and 15, respectively.

Contributions, Memberships & Grants – The Council receives contributions and grants from individuals, foundations, donor advised funds, and other charitable organizations. Contributions are recognized as revenue, at fair value, on the earlier of the receipt of cash or an unconditional promise to give. Contributions which impose restrictions that are met in the same fiscal year the contribution is received are reported as increases in net assets without donor restrictions. Expirations of donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time has elapsed) in subsequent years are reported as "Net assets released from donor restrictions" in the Statements of Activities.

Grants awarded by federal agencies are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes, and revenue is recognized when qualifying expenditures are incurred and conditions under the grant agreements are met.

Membership dues - Fees charged by The Council for the right to access and deliver to listeners The Council's distributed programming. The duration of the underlying customer contracts corresponds to The Council's fiscal year. Although The Council does not execute a contract with its members, management considers payment of annual dues, based on prices determined by The Council to constitute member acceptance of the offered benefits. Management expects to collect all amounts invoiced; therefore, management does not reverse amounts recognized during the year for invoiced but unpaid member dues. The membership period corresponds to The Council's fiscal year.

Governmental grants, contributions, memberships and other grants include the following at June 30:

	<u>2022</u>	<u>2021</u>
CPB Community Service grants	\$ 1,001,763	\$ 966,155
Other CPB grants	802,617	143,228
PBS grants	25,500	28,000
NYS grants	928,025	854,000
FCC Spectrum Incentive Auction	112,395	339,971
PPP loan forgiveness	<u>-</u>	<u>415,400</u>
Total grants and support	\$ <u>2,870,300</u>	\$ <u>2,746,754</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

	<u>2021</u>	<u>2021</u>
Non-profit grants	\$ 301,713	\$ 63,781
Memberships	1,690,596	1,646,294
Major gifts	855,878	673,940
Other contributions	<u>445</u>	<u>37,000</u>
Total membership and contributions	\$ <u>2,848,632</u>	\$ <u>2,421,015</u>

Program Sponsorship – The Council recognizes revenue from the following sources in an amount to which The Council has the right to invoice. The Council may invoice customers when television and radio sponsorship acknowledgments run, impressions on public broadcasting internet sites are delivered (i.e., the number of times the sponsorship appears in viewed internet pages), podcasts containing sponsorship credits are downloaded, and special events occur. The Council has concluded that they have a right to consideration from a customer in an amount that corresponds directly with the value to the customer of The Council's performance completed to date.

	<u>2021</u>	<u>2021</u>
Private colleges	\$ 16,500	\$ 13,000
Non-profit organizations	165,684	117,886
Businesses	484,383	420,540
Trades	<u>1,320</u>	<u>19,054</u>
Total program sponsorship	\$ <u>667,887</u>	\$ <u>570,480</u>

Presentation of Sales Taxes

The State of New York (NYS) and most of its counties impose a sales tax on all of the Council's sales of tangible goods to non-exempt customers. The Council collects the tax from customers and remits the entire amount to NYS. The Council's accounting policy is to exclude the tax collected and remitted to NYS from revenues and expenses.

Advertising

The Council follows the policy of expensing advertising costs as incurred. Advertising expense was \$14,140 and \$27,049 for the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing program services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs benefited.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Council has evaluated events and transactions that have occurred between July 1, 2023 and February 8, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Reclassifications

Certain amounts from the 2021 financial statements have been reclassified to conform to the presentation for 2022. Changes in net assets as previously reported was not impacted by this reclassification.

NOTE 2 - CONCENTRATIONS

Credit Risk - Cash and Cash Equivalents

The Council maintains its cash balances in various accounts at several financial institutions located in Binghamton, New York. All accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Council's uninsured balances as of June 30, 2022 and 2021 were \$411,108 and \$1,299,060 respectively.

Revenues

Revenues from two major funding sources, New York State Department of Education and the Corporation for Public Broadcasting (CPB), compromised approximately 42% and 35% of income during each of the years ending June 30, 2022 and 2021, respectively.

NOTE 3 - INVESTMENT IN CENTRALCAST, LLC

In June 2012, the Council and seven other public broadcasting entities formed Centralcast, LLC (Centralcast) for the purposes of establishing and operating a joint master control facility. Centralcast is organized and operated under section 501(c)(3) of the Internal Revenue Code. In accordance with ASU 2016-01: *Recognition and Measurement of Financial Assets and Financial Liabilities*, The Council has elected to measure this equity security without a readily determinable fair value at its cost minus impairment, if any, plus or minus changes resulting from observable price changes. There were no instances of impairment, nor any observable price changes for both the years ending June 31, 2022, and 2021.

The Council currently holds an ownership interest of 10% in Centralcast and its investment activity in Centralcast is summarized as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Investment, beginning	\$ 489,770	\$ 445,925
Allocable net income (loss)	<u>50,330</u>	<u>43,845</u>
Investment, ending	\$ <u>540,100</u>	\$ <u>489,770</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 3 - INVESTMENT IN CENTRALCAST, LLC (Continued)

Under the terms of the LLC's operating agreement, the Council is obligated to enter into a Joint Master Control (JMC) Service Level Agreement, whereby Centralcast will provide joint master control services. The Council incurred \$140,617 and \$132,284 in expenses for these services for the years ending June 30, 2022 and 2021, respectively.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Council uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Council measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. All investments held by the Council were classified as Level 1 investments; there were no investments valued using Level 2 and Level 3 inputs.

The fair values of the mutual funds are based on quoted market prices. The unit price for these investments held by the Council are revalued and published on an actively traded market at least daily. The following summarizes the Council's investments:

	<u>Cost</u>	<u>Fair Value</u>
<u>June 30, 2022</u>		
Cash equivalents	\$ 284,115	\$ 284,115
Mutual funds:		
Bond funds	428,379	418,306
Equity index funds	<u>479,476</u>	<u>489,836</u>
Total investments	\$ <u>1,191,969</u>	\$ <u>1,192,257</u>
 <u>June 30, 2021</u>		
Cash equivalents	\$ 109	\$ 109
Mutual funds:		
Bond funds	425,710	425,710
Equity index funds	<u>468,364</u>	<u>468,364</u>
Total investments	\$ <u>894,183</u>	\$ <u>955,075</u>

Unrecognized holding gains (losses) on securities amounted to \$(60,650) and \$34,645 for the years ended June 30, 2022 and 2021, respectively, and have been included in the Statements of Activities.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

NOTE 5 - BROADCASTING FACILITIES AND EQUIPMENT

Broadcasting facilities and equipment at June 30 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 128,429	\$ 128,429
Building	3,737,026	3,856,153
Studio and technical equipment	5,266,339	5,782,478
Transmitter/translator equipment, antenna and tower	6,388,259	7,334,001
Public radio equipment	652,244	691,664
Satellite interconnect system	190,534	191,284
Furniture and fixtures	161,236	179,489
Data processing equipment	216,324	363,892
Vehicles	56,654	56,654
Tenant leasehold improvements	248,704	248,704
Back-up generator	<u>230,245</u>	<u>230,245</u>
 Total broadcasting facilities and equipment	 17,275,995	 19,062,993
Less: accumulated depreciation	<u>14,182,055</u>	<u>15,519,111</u>
 Total	 <u>\$ 3,093,940</u>	 <u>\$ 3,543,882</u>

Depreciation and amortization expense amounted to \$445,882 and \$385,720 for the years ended June 30, 2022 and 2021, respectively.

NOTE 6 - LINE OF CREDIT

The Council has a \$400,000 line of credit with a bank to be drawn upon as needed, with interest set at the prime lending rate (4.75% at June 30, 2022). The balance on the line amounted to \$-0- at both June 30, 2022 and 2021.

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Mortgage payable to a bank in 59 monthly installments of \$5,253, plus interest at 4.19%, with all unpaid principal due in September 2030. The mortgage is collateralized by a building and the assignment of leases.	\$ 530,601	\$ 593,643
Less: current portion	<u>(63,042)</u>	<u>(63,042)</u>
Long-term debt	<u>\$ 467,559</u>	<u>\$ 530,601</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 - LONG-TERM DEBT (Continued)

Maturities of long-term debt are as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2023	\$ 63,042
2024	63,042
2025	63,042
2026	63,042
2027	63,042
Thereafter	<u>215,391</u>
Total	\$ <u>530,601</u>

The Council's mortgage contains various limitations and covenants, including delivery of audited financial statements within 120 days of year end and meeting a debt service coverage ratio. As of June 30, 2022, the Council followed all covenants, except for the required delivery of audited financial statements within 120 days.

NOTE 8 - PAYCHECK PROTECTION PLAN LOAN

In April 2020, the United States Congress passed the Corona Aid Relief and Economic Security Act (CARES) which included a provision granting loans to small businesses under the Paycheck Protection Program. The Council applied for, and received, \$415,400 under this program. Amounts spent on allowable expenses (payroll, rent, pension, health insurance and utilities) during the twenty-four weeks from the time of funding will be forgiven. Amounts not spent during the allowable timeframe or spent on unallowable costs will need to be repaid at 1% interest over an 18-month period beginning December 2020. In December 2020, the entirety of the loan, including all accrued interest, was forgiven and the revenue has been included with government grants and support in the accompanying financial statements.

NOTE 9 - DEFERRED REVENUES

In April 2021, the Council received emergency stabilization funding from the Corporation for Public Broadcasting of \$223,820 for radio and \$495,302 for television as a part of the American Rescue Act. These funds are considered unrestricted and have no expenditure period. At the board of trustees' discretion, and through comparable stations actions, it was determined that these funds were to be used during the year ended June 30, 2022. As of June 30, 2022, \$46,234 of these funds remain unspent and are included in deferred revenue.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

NOTE 9 - DEFERRED REVENUES (Continued)

Additionally, the Council receives, from time-to-time, advances on government grants and lease payments. During the years ending June 30, 2022 and 2021, deferred revenues consist of the following

	<u>2022</u>	<u>2021</u>
American Rescue Plan grant	\$ 46,234	\$ 719,122
Other deferred grant revenue	-	91,000
Rental - current	38,716	44,549
Rental - noncurrent	<u>113,364</u>	<u>151,152</u>
	\$ <u>198,315</u>	\$ <u>1,005,823</u>

NOTE 10 - ENDOWMENT FUNDS

The Council's endowment investments consist of donations that have been designated by the donor to function as an endowment. As of June 30, 2022 and 2021, the total amounts donated were \$336,237 and \$52,679, respectively and are included in net assets with donor restrictions.

The Council has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funding for expenditures described in the endowment policy while seeking to maintain the purchasing power of the endowment assets. The Council's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through the diversification of asset classes. The Council expects the endowment fund, over time, to provide a consistent rate of return although actual return in any given year may vary.

To satisfy its long-term rate-of-return objectives, the Council 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 Council targets diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk parameters.

A reconciliation of the beginning and ending balance of the Council's endowment net assets is as follows:

	<u>2022</u>	<u>2021</u>
Endowment net assets at beginning of year	\$ 161,393	\$ 124,036
Contributions	283,558	-
Interest, dividends and realized gains	3,164	2,712
Unrealized appreciation	<u>(60,650)</u>	<u>34,645</u>
Endowment net assets at end of year	\$ <u>423,873</u>	\$ <u>161,393</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 10 - ENDOWMENT FUNDS (Continued)

In recording this endowment, the Council has interpreted the portions of the Uniform Prudent Management of Institutional Funds Act adopted by New York State and Not-for-Profit Corporation Law (N-PCL) Section 513 (NYPMIFA). To constitute a true endowment under this law, the restrictions must arise from clearly expressed donor limitations. Any gift received with donor restrictions must be applied in accordance with those restrictions. To do otherwise is a breach of fiduciary duty of the Council's governing board. As a result of these interpretations, the Council classifies as net assets with donor restrictions the aggregate fair value in dollars of: (i) an endowment fund at the time it became an endowment fund; (ii) each subsequent donation to the funds at the time it is made; and (iii) each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund. The determination of these components is made in good faith by the Council's governing board, in interpretation of New York State law.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

The balance in net assets with donor restrictions as of June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Endowment funds (see Note 10)	\$ <u>336,237</u>	\$ <u>52,679</u>

NOTE 12 - LEASE COMMITMENTS

Operating Leases - WSKG as Lessee

The Council is party to two non-cancelable operating lease agreements involving space on transmission towers and land for transmission towers. The leases expire at various dates through September 2023.

A summary of non-cancelable operating lease commitments is as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2023	\$ 6,150
2024	<u>750</u>
Total	\$ <u>6,900</u>

Total rent expense under these operating leases amounted to \$16,486 for both the years ended June 30, 2022 and 2021.

The Council is involved in month-to-month lease agreements for tower rental space and land. The total rent expense paid under these leases was \$270,208 and \$263,906 for the years ended June 30, 2022 and 2021, respectively.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 12 - LEASE COMMITMENTS (Continued)

Operating Leases - WSKG as Lessor

The Council also leases tower and building space to tenants under operating leases, whereby revenue is recognized as lease payments are received. The leases expire at various dates through June 2027. The future minimum lease payments to be received from operating leases, including those signed after June 30, 2022, are as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2023	\$ 205,909
2024	102,054
2025	95,654
2026	87,396
2027	<u>11,820</u>
Total	\$ <u>502,833</u>

The Council is involved in a month-to-month lease agreement to provide tower rental space and land. The total rental income received under these leases was \$1,200 for both the years ended June 30, 2022 and 2021.

Total rental income earned amounted to \$239,207 and \$238,012, for the years ended June 30, 2022 and 2021, respectively.

NOTE 13 - RETIREMENT PLAN

Effective January 1, 2020, the Council established a retirement plan under section 401(k) of the Internal Revenue Code. Under the plan, eligible employees are able to defer up to 100% of their compensation and the Council will match up to 2% of each employee's deferral. In addition, the Council will make an additional non-elective contribution of 5% of compensation for all eligible employees. The Council also has the right under the plan to make additional discretionary contributions. Employees are eligible to defer compensation upon employment and attaining the age of 18. Participation in the Council's contributions requires a year of service as well.

Total pension expenses charged to operations amounted to \$110,051 and \$100,514 for the years ended June 30, 2022 and 2021, respectively.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 14 - OTHER INCOME

The following schedule summarizes the components of other income as classified on the Statement of Activities for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Rental income	\$ 239,208	\$ 238,012
Royalties	-	31,594
DVD sales	1,185	-
Loss on disposal of property and equipment	(159,964)	-
Miscellaneous income	<u>-</u>	<u>1,175</u>
	\$ <u>80,429</u>	\$ <u>272,589</u>

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Purchase Commitments

Purchase commitments outstanding related to programming rights for programs not available for showing until subsequent periods were \$492,435 and \$491,320 at June 30, 2022 and 2021, respectively.

NOTE 16 - ADVERTISING BARTER TRANSACTIONS

During the year, WSKG engaged in several advertising barter transactions in which various services were provided to WSKG in exchange for underwriting contracts. WSKG recorded these transactions at the fair market value of the services received. The underwriting contracts and services received have been recorded in the financial statements in the appropriate revenue and expense lines. The total amount of revenue and expenses recorded for advertising barter transactions was \$1,320 and \$19,054 for the years ended June 30, 2022 and 2021, respectively.

NOTE 17 - SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash Payments for Interest and Income Taxes

Cash payments for interest and income taxes were amounted to the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Interest	\$ <u>26,300</u>	\$ <u>27,188</u>
Income taxes	\$ <u>25</u>	\$ <u>25</u>

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 625,373	\$ 1,527,714
Receivables, net	680,767	482,802
Investments	<u>1,192,257</u>	<u>955,075</u>
Total financial assets as of year-end	2,498,397	2,965,591
Less assets unavailable for general expenditures within one year due to:		
Permanent endowment restrictions	<u>336,237</u>	<u>52,679</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>2,162,160</u>	\$ <u>2,912,912</u>

As part of its liquidity plan, the Council also maintains a \$400,000 line of credit with a local financial institution (see note 6).

NOTE 19 - RELATED PARTY TRANSACTIONS

Several members of the board of trustees own businesses or are employees of entities that sponsor programs of WSKG. Revenues from these transactions amounted to \$7,440 and \$14,220 during the years ended June 30, 2022 and 2021, respectively.

A member of the board of trustees is a partner in a law firm that provides legal services to WSKG. Total expenditures with this firm amounted to \$5,237 and \$4,614 during the years ended June 30, 2022 and 2021, respectively.

A member of the board of trustees is an employee of a financial institution that has loaned money to WSKG. Total interest expense paid to the financial institution amounted to \$25,846 and \$27,188 during the years ended June 30, 2022 and 2021, respectively.

NOTE 20 - OTHER COMMITMENTS & CONTINGENCIES

The Council had accrued a balance of \$108,713 in utilities expenses at a tower location that went unbilled from the provider. In December 2020, the owner of the tower agreed to donate the entire amount of the accrued liability. The revenue and related reduction in accrued expenses have been recognized during the year ending June 30, 2021. There is still an unknown amount due for additional utilities owed at this tower location the Council continues to accrue an estimated amount due. As of June 30, 2022 and 2021, amounts accrued for these expenses totaled \$277,678 and \$212,500, respectively. The final amount due has still not been determined nor paid, and it is unknown exactly when the payment will be made.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

NOTE 21 - PROGRAM DESCRIPTIONS

Youth Focused

WSKG Youth offers quality, educational content, interactive events and tools to understand development and learning. WSKG is a safe and trusted resource for youth. As a part of PBS, WSKG is committed to giving all children the tools they need to learn reading, science, and math - providing them with a greater chance to reach their full potential.

News and Public Affairs

WSKG News & Public Affairs is guided by powerful ethics, public media's best practices and community need. We support an understanding of the issues facing our community through an objective and relentless pursuit of the facts, high quality writing and production, and diligent journalism. In the pursuit of news we insistently question, thoroughly research, intelligently analyze, and ethically share stories with the radio listeners, television viewers and web browsers who rely on WSKG Public Media. Through the content we produce and the stories we tell, we provide insights into our community's struggles and successes. By maintaining an informed citizenry, we work to improve the quality of their life.

Arts and Culture

WSKG's Arts and Culture is guided by an ongoing commitment to provide the community it serves with the best in arts and culture content, locally and nationally, on multiple platforms. We do this to research, preserve and shore the rich and diverse culture of our viewing area with the community and staying consistent with our goal to create relevant content that promotes Upstate New York as a unique cultural destination, to produce compelling stories of the transformative power of the arts and to feature the extraordinary talents of our local musicians and performers.

History and Heritage

WSKG History & Heritage is guided by current research, best practices and community need. We support the understanding of our community's past through top-quality research, production and outreach. We accomplish this through the content we produce and the stories we tell about our region's past, our struggles and successes. With this goal in place we hope we can help our viewers and listeners emerge with relevant skills and an enhanced capacity for informed citizenship, critical thinking and community awareness.

Engineering

Engineering is crucial to the Council's existence as a station. It oversees the operation, installation, maintenance, and implementation of television and radio broadcast equipment and towers on a day-to-day and long-term basis. It also monitors FCC rules and regulations and ensures station compliance with these federal guidelines, including the conversion to a digital broadcast system. This is a government mandated conversion that all television broadcast stations must have completed within a specified time. The Council has met its obligation under this mandate.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

STATEMENT OF ACTIVITIES BY CATEGORY YEAR ENDED JUNE 30, 2022

	<u>AFR Line</u>	<u>TV</u>	<u>Radio</u>	<u>Total</u>
REVENUES				
Membership and contributions				
Public broadcasting entities	A - 2E	\$ 13,500	\$ -	\$ 13,500
Private colleges and universities	A - 7.1B	119,000	-	119,000
Non-profit grants	A - 8.1B	80,270	88,943	169,213
Business grants	A - 9.1B	221	224	445
Membership	A - 10	838,416	852,180	1,690,596
Contributions to endowment fund	A - 17A	140,625	142,933	283,558
Capital fund contributions	A - 18A	12,178	12,377	24,555
Major gifts	A - 19	280,474	267,291	547,765
				<u>2,848,632</u>
Government grants and support				
FCC C Band	A - 1F	-	17,896	17,896
CPB Community Service Grants	A - 2A	808,193	193,570	1,001,763
Other CPB grants	A - 2B	578,797	223,820	802,617
PBS grants and payments	A - 2C	25,500	-	25,500
NYS grants	A - 4.1B	738,520	117,005	855,525
Other capital grants	A - 4.1D/4.2D	35,955	36,545	72,500
FCC Spectrum Incentive Auction	A - 21	94,499	-	94,499
				<u>2,870,300</u>
Program sponsorship				
Private colleges	A - 7.1A	-	16,500	16,500
Non-profit organizations	A - 8.1A	69,229	96,455	165,684
Businesses	A - 9.1A	107,235	377,148	484,383
Trades	C	1,320	-	1,320
				<u>667,887</u>
Net investment gain				
Interest and dividends	A - 15A	6,674	6,783	13,457
Realized gains (losses) on securities	A - 16B	85	85	170
Unrealized gains on securities	A - 16C	(30,078)	(30,572)	(60,650)
				<u>(47,023)</u>
Gain from Centralcast, LLC	A - 16C	50,330	-	50,330

(Continued)

See independent auditor's report.

WSKG PUBLIC TELECOMMUNICATIONS COUNCIL

STATEMENT OF ACTIVITIES BY CATEGORY YEAR ENDED JUNE 30, 2022

	<u>AFR Line</u>	<u>TV</u>	<u>Radio</u>	<u>Total</u>
Other				
Rental income - public broadcasting	A - 2E	\$ 7,766	-	\$ 7,766
Rental income - local government	A - 3.2A	31,016	-	31,016
Rental income - state colleges	A - 5.2A	5,737	5,737	11,474
Rental income - private colleges	A - 7.2A	1,200	-	1,200
Rental income - non-profit organizations	A - 8.2A	42,896	-	42,896
Rental income - other	A - 9.2A	72,428	72,428	144,856
Loss on disposal of property and equipment	A - 16A	(79,982)	(79,982)	(159,964)
Other income	A - 20	<u>1,185</u>	<u>-</u>	<u>1,185</u>
				<u>80,429</u>
 TOTAL REVENUES		 <u>4,053,189</u>	 <u>2,417,366</u>	 <u>6,470,555</u>
 EXPENSES				
Programming and production				
Youth focused				396,657
News and public affairs				1,316,750
Arts and culture				791,829
History and heritage				<u>447,846</u>
Programming and production totals	E - 1	1,675,759	1,277,323	<u>2,953,082</u>
 Engineering	E - 2	483,785	483,784	967,569
 Business sponsorship and development	E - 5, E - 6	447,344	569,785	1,017,129
 General and administrative	E - 4	179,938	179,937	359,875
 Strategic planning and community development	E - 3	<u>170,974</u>	<u>170,973</u>	<u>341,947</u>
 TOTAL EXPENSES		 <u>2,957,800</u>	 <u>2,681,802</u>	 <u>5,639,602</u>
 CHANGE IN NET ASSETS		 \$ <u>1,095,389</u>	 \$ <u>(264,436)</u>	 \$ <u>830,953</u>
				(Concluded)

See independent auditor's report.