

PUBLIC BROADCASTING OF
NORTHWEST PENNSYLVANIA, INC.

ERIE, PENNSYLVANIA

Financial Statements
For the Years Ended June 30, 2023 and 2022

Public Broadcasting of Northwest Pennsylvania, Inc.
Erie, Pennsylvania

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Public Broadcasting of Northwest Pennsylvania, Inc.

Opinion

We have audited the accompanying financial statements of Public Broadcasting of Northwest Pennsylvania, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 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 financial statements referred to above present fairly, in all material respects, the financial position of Public Broadcasting of Northwest Pennsylvania, Inc. as of June 30, 2023 and 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 auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Broadcasting of Northwest Pennsylvania, Inc. 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 these 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 Public Broadcasting of Northwest Pennsylvania, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 controls 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 Public Broadcasting of Northwest Pennsylvania, 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.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Public Broadcasting of Northwest Pennsylvania, Inc.'s ability to continue as a going concern for a reasonable period of time.

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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Activities by Operational Function 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 state in all material respects in relation to the financial statements as a whole.

Busch, Barger, Bleil & Co. Inc.

Certified Public Accountants
Erie, Pennsylvania

September 15, 2023

PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

EXHIBIT I

ASSETS

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------------------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 236,282 | \$ 224,906 |
| Trade receivables | 25,468 | 146,360 |
| Membership pledges receivable | - | 129,130 |
| Prepaid items and other assets | 114,171 | 101,695 |
| Broadcast rights | 112,485 | 140,590 |
| Property and equipment, net of accumulated depreciation | 2,552,950 | 2,644,946 |
| Operating lease right of use asset, net of accumulated amortization | 936,269 | - |
| Investments | 204,121 | 264,187 |
| Interest in assets at the Erie Community Foundation | 38,917 | 37,148 |
| Erie Bank Investment Advisors endowment | 3,466,053 | 2,832,986 |
| <u>Total Assets</u> | <u>\$ 7,686,716</u> | <u>\$ 6,521,948</u> |

LIABILITIES AND NET ASSETS

Liabilities

| | | |
|---------------------------------------------|------------------|----------------|
| Trade accounts payable | \$ 63,512 | \$ 117,593 |
| Deferred revenue | 164,522 | 179,507 |
| Accrued payroll and withholdings | 107,837 | 88,545 |
| Accrued broadcast rights and other expenses | 31,290 | 32,475 |
| Operating lease liability | 950,201 | - |
| Line of credit | 100,000 | - |
| <u>Total Liabilities</u> | <u>1,417,362</u> | <u>418,120</u> |

Net Assets

| | | |
|-----------------------------------------|---------------------|---------------------|
| Without Donor Restrictions | 5,559,794 | 5,720,786 |
| With Donor Restrictions | 709,560 | 383,042 |
| <u>Total Net Assets</u> | <u>6,269,354</u> | <u>6,103,828</u> |
| <u>Total Liabilities and Net Assets</u> | <u>\$ 7,686,716</u> | <u>\$ 6,521,948</u> |

PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022

| | 2023 | | |
|-------------------------------------------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| <u>Operating Activities</u> | | | |
| <u>Revenues and Other Support</u> | | | |
| Corporation for Public Broadcasting | \$ 950,674 | \$ - | \$ 950,674 |
| Other grants | 125,000 | - | 125,000 |
| Contributed services and supplies | 10,172 | - | 10,172 |
| Broadcasting, underwriting and production | 533,485 | 765,000 | 1,298,485 |
| Membership | 1,305,916 | - | 1,305,916 |
| Auction/special events | 424,669 | - | 424,669 |
| Facilities rental | 28,797 | - | 28,797 |
| Educational revenue and grants | 66,544 | - | 66,544 |
| Contributions | 258 | - | 258 |
| Other | 152 | - | 152 |
| Net Assets Released from Restrictions | | | |
| Satisfaction of Program Restrictions | 438,482 | (438,482) | - |
| <u>Total Revenues and Other Support</u> | <u>3,884,149</u> | <u>326,518</u> | <u>4,210,667</u> |
| <u>Expenses</u> | | | |
| Program services | | | |
| Broadcasting | 472,030 | - | 472,030 |
| Program/production | 1,562,785 | - | 1,562,785 |
| Public information | 521,483 | - | 521,483 |
| Support services | | | |
| Fundraising | 1,056,386 | - | 1,056,386 |
| Management and general | 680,655 | - | 680,655 |
| <u>Total Expenses</u> | <u>4,293,339</u> | <u>-</u> | <u>4,293,339</u> |
| <u>Change in Net Assets from Operating Activities</u> | <u>(409,190)</u> | <u>326,518</u> | <u>(82,672)</u> |
| <u>Nonoperating Activities</u> | | | |
| Gain/(loss) on sale of fixed assets | - | - | - |
| Investment return, net | 248,198 | - | 248,198 |
| <u>Total Nonoperating Activities</u> | <u>248,198</u> | <u>-</u> | <u>248,198</u> |
| <u>Change in Net Assets</u> | <u>(160,992)</u> | <u>326,518</u> | <u>165,526</u> |
| <u>Net assets, beginning of year</u> | <u>5,720,786</u> | <u>383,042</u> | <u>6,103,828</u> |
| <u>Net Assets, end of year</u> | <u>\$ 5,559,794</u> | <u>\$ 709,560</u> | <u>\$ 6,269,354</u> |

PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC.

EXHIBIT II

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022

| | 2022 | | |
|-------------------------------------------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| <u>Operating Activities</u> | | | |
| <u>Revenues and Other Support</u> | | | |
| Corporation for Public Broadcasting | \$ 1,260,022 | \$ - | \$ 1,260,022 |
| Other grants | 1,012,875 | - | 1,012,875 |
| Contributed services and supplies | 1,760 | - | 1,760 |
| Broadcasting, underwriting and production | 550,069 | 500,000 | 1,050,069 |
| Membership | 1,206,637 | - | 1,206,637 |
| Auction/special events | 425,244 | - | 425,244 |
| Facilities rental | 38,092 | - | 38,092 |
| Educational revenue and grants | 7,550 | - | 7,550 |
| Contributions | 1,348 | - | 1,348 |
| Other | 750 | - | 750 |
| Net Assets Released from Restrictions | | | |
| Satisfaction of Program Restrictions | 116,958 | (116,958) | - |
| <u>Total Revenues and Other Support</u> | <u>4,621,305</u> | <u>383,042</u> | <u>5,004,347</u> |
| <u>Expenses</u> | | | |
| Program services | | | |
| Broadcasting | 487,249 | - | 487,249 |
| Program/production | 1,126,780 | - | 1,126,780 |
| Public information | 493,686 | - | 493,686 |
| Support services | | | |
| Fundraising | 1,030,968 | - | 1,030,968 |
| Management and general | 659,415 | - | 659,415 |
| <u>Total Expenses</u> | <u>3,798,098</u> | <u>-</u> | <u>3,798,098</u> |
| <u>Change in Net Assets from Operating Activities</u> | <u>823,207</u> | <u>383,042</u> | <u>1,206,249</u> |
| <u>Nonoperating Activities</u> | | | |
| Gain/(loss) on sale of fixed assets | 160,952 | - | 160,952 |
| Investment return, net | (327,252) | - | (327,252) |
| <u>Total Nonoperating Activities</u> | <u>(166,300)</u> | <u>-</u> | <u>(166,300)</u> |
| <u>Change in Net Assets</u> | <u>656,907</u> | <u>383,042</u> | <u>1,039,949</u> |
| <u>Net assets, beginning of year</u> | <u>5,063,879</u> | <u>-</u> | <u>5,063,879</u> |
| <u>Net Assets, end of year</u> | <u>\$ 5,720,786</u> | <u>\$ 383,042</u> | <u>\$ 6,103,828</u> |

The accompanying notes are an integral part of these financial statements

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PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC. EXHIBIT III
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <u>Cash flows from Operating Activities:</u> | | |
| Change in net assets | \$ 165,526 | \$ 1,039,949 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 218,280 | 211,698 |
| Net realized/unrealized investment (gain) loss | (576,539) | (769,884) |
| Change in assets and liabilities - | | |
| (Increase) decrease in trade receivables | 120,892 | (116,607) |
| (Increase) decrease in membership receivables | 129,130 | 8,236 |
| (Increase) decrease in grants receivables | - | 236,175 |
| (Increase) decrease in prepaid items and other assets | (12,476) | (3,522) |
| Increase (decrease) in Operating lease assets and liabilities | 13,932 | - |
| Increase (decrease) in trade accounts payables | (54,081) | 12,469 |
| Increase (decrease) in deferred revenue | (14,985) | (228,675) |
| Increase (decrease) in accrued payroll and withholdings | 19,292 | (44,686) |
| Increase (decrease) in accrued broadcast rights and expenses | (1,185) | 23,316 |
| <u>Net cash provided by (used in) operating activities</u> | <u>7,786</u> | <u>368,469</u> |
| <u>Cash flows from Investing Activities:</u> | | |
| Net (increase) decrease in broadcast rights | 28,105 | (21,952) |
| Payments for property and equipment | (126,284) | (225,097) |
| Net (increase) decrease in long-term investments | 1,769 | (310,272) |
| <u>Net cash provided by (used in) investing activities</u> | <u>(96,410)</u> | <u>(557,321)</u> |
| <u>Cash flows from Financing Activities:</u> | | |
| Net line of credit borrowings (repayments) | 100,000 | - |
| <u>Net cash provided by (used in) financing activities</u> | <u>100,000</u> | <u>-</u> |
| <u>Net Increase (Decrease) in Cash</u> | 11,376 | (188,852) |
| <u>Cash and Cash Equivalents, Beginning of Year</u> | 224,906 | 413,758 |
| <u>Cash and Cash Equivalents, End of Year</u> | <u>\$ 236,282</u> | <u>\$ 224,906</u> |
| <u>Supplemental Information</u> | | |
| Interest Paid | \$ 2,568 | \$ 106 |

PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

| | 2023 | | |
|-----------------------------------|-------------------|------------------------|-----------------------|
| | Program Services | | |
| | Broadcasting | Program/ Production | Public Information |
| Salaries and employee benefits | \$ 135,667 | \$ 690,821 | \$ 357,344 |
| Management and professional | 10,039 | 42,542 | 2,395 |
| Travel | 244 | 9,143 | 3,185 |
| Sales expense | - | - | - |
| Promotional | - | 15,452 | 121,760 |
| Telephone | - | - | - |
| Utilities | 86,857 | - | - |
| Real property rental/maintenance | 13,763 | - | - |
| Programming and production | 16,532 | 660,631 | - |
| Office Supplies | 1,019 | 465 | 4,400 |
| Postage and freight | - | 26 | 14,123 |
| Operating lease expense | 79,650 | 40,059 | 1,968 |
| Miscellaneous | 171 | 39,598 | 991 |
| Total operating expenses | 343,942 | 1,498,737 | 506,166 |
| Contributed services and supplies | - | - | - |
| Interest | 1,486 | 747 | 37 |
| Depreciation | 126,602 | 63,301 | 15,280 |
| Total expenses | <u>\$ 472,030</u> | <u>\$ 1,562,785</u> | <u>\$ 521,483</u> |

STATEMENT OF FUNCTIONAL EXPENSESYEAR ENDED JUNE 30, 2023WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

| 2023 | | |
|---------------------|---------------------------|---------------------|
| Support Services | | |
| Fundraising | Management and General | Total |
| \$ 377,030 | \$ 401,097 | \$ 1,961,959 |
| 222,435 | 164,763 | 442,174 |
| 35,753 | 10,836 | 59,161 |
| 15,179 | - | 15,179 |
| 321,902 | 4,344 | 463,458 |
| 10,167 | 14,818 | 24,985 |
| - | - | 86,857 |
| - | 28,060 | 41,823 |
| 168 | - | 677,331 |
| 36,428 | 5,233 | 47,545 |
| 16,633 | 16,014 | 46,796 |
| 6,894 | 9,041 | 137,612 |
| 2,754 | 13,925 | 57,439 |
| 1,045,343 | 668,131 | 4,062,319 |
| - | 10,172 | 10,172 |
| 129 | 169 | 2,568 |
| 10,914 | 2,183 | 218,280 |
| <u>\$ 1,056,386</u> | <u>\$ 680,655</u> | <u>\$ 4,293,339</u> |

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 | | |
|-----------------------------------|-------------------|------------------------|-----------------------|
| | Program Services | | |
| | Broadcasting | Program/ Production | Public Information |
| Salaries and employee benefits | \$ 126,017 | \$ 351,688 | \$ 359,361 |
| Management and professional | 3,500 | 36,264 | 3,717 |
| Travel | 1,850 | 3,043 | 1,326 |
| Sales expense | - | - | - |
| Promotional | - | 684 | 108,264 |
| Telephone | - | - | - |
| Utilities | 90,073 | - | - |
| Real property rental/maintenance | 118,926 | - | - |
| Programming and production | 22,943 | 668,850 | - |
| Office Supplies | 1,038 | 1,637 | 3,310 |
| Postage and freight | 18 | 49 | 13,516 |
| Miscellaneous | 292 | 2,909 | 1,163 |
| Total operating expenses | 364,657 | 1,065,124 | 490,657 |
| Contributed services and supplies | - | - | - |
| Interest | 61 | 31 | 2 |
| Depreciation | 122,531 | 61,625 | 3,027 |
| Total expenses | <u>\$ 487,249</u> | <u>\$ 1,126,780</u> | <u>\$ 493,686</u> |

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT IV

| 2022 | | |
|---------------------|---------------------------|---------------------|
| Support Services | | |
| Fundraising | Management and General | Total |
| \$ 347,089 | \$ 387,548 | \$ 1,571,703 |
| 241,961 | 163,268 | 448,710 |
| 36,780 | 15,184 | 58,183 |
| 16,752 | - | 16,752 |
| 290,369 | 7,252 | 406,569 |
| 11,245 | 11,630 | 22,875 |
| - | - | 90,073 |
| - | 29,804 | 148,730 |
| 2,597 | - | 694,390 |
| 43,384 | 5,354 | 54,723 |
| 27,999 | 14,209 | 55,791 |
| 2,181 | 9,490 | 16,035 |
| 1,020,357 | 643,739 | 3,584,534 |
| - | 1,760 | 1,760 |
| 5 | 7 | 106 |
| 10,606 | 13,909 | 211,698 |
| <u>\$ 1,030,968</u> | <u>\$ 659,415</u> | <u>\$ 3,798,098</u> |

PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization and Nature of Activities

Public Broadcasting of Northwest Pennsylvania, Inc. operates a public television and FM-radio station. Public Broadcasting of Northwest Pennsylvania, Inc. provides a wide-range of educational, informational and general interest programs. Public Broadcasting of Northwest Pennsylvania, Inc. is supported mostly through grants and support from the general public.

Basis of Presentation

The financial statements of Public Broadcasting of Northwest Pennsylvania, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("US GAAP"), which require Public Broadcasting of Northwest Pennsylvania, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Public Broadcasting of Northwest Pennsylvania, Inc.'s management and the board of directors.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Public Broadcasting of Northwest Pennsylvania, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measures of Operations

The Statement of Activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Public Broadcasting of Northwest Pennsylvania, Inc.'s ongoing television and FM-radio operations and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Public Broadcasting of Northwest Pennsylvania, Inc.'s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Concentrations of Credit Risk

Financial instruments that potentially subject Public Broadcasting of Northwest Pennsylvania, Inc. to concentrations of credit risk consist principally of cash and cash equivalents and investments. Public Broadcasting of Northwest Pennsylvania, Inc. maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Public Broadcasting of Northwest Pennsylvania, Inc.'s cash

and cash equivalent accounts have been placed with high credit quality financial institutions. Public Broadcasting of Northwest Pennsylvania, Inc. has not experienced, nor does it anticipate, any losses with respect to such accounts.

Broadcast Rights

Public Broadcasting of Northwest Pennsylvania, Inc. purchases the rights to broadcast various programs for terms that range from one to eight years. These rights are amortized using the straight-line method over the actual term of the individual broadcast rights or the average term of package broadcast rights.

Property, Equipment and Related Depreciation

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is provided using the straight-line method over the following estimated useful lives of the assets:

| | |
|----------------------|--------------|
| Land Improvements | 3 – 20 years |
| Buildings | 5 – 35 years |
| Transmission Systems | 7 – 20 years |
| Production Equipment | 5 – 15 years |
| Office Equipment | 5 – 7 years |
| Vehicles | 3 years |

Public Broadcasting of Northwest Pennsylvania, Inc.'s policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal maintenance and repairs in the year incurred. Public Broadcasting of Northwest Pennsylvania, Inc.'s management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Investment and Investment Return

Investments are reported at cost, if purchased, or at a fair value, if donated. Thereafter, investments are reported at their fair value in the *Statements of Financial Position*, and changes in fair value are reported as investment return in the *Statement of Activities*.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Public Broadcasting of Northwest Pennsylvania, Inc. group assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets, as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets:
- Quoted prices for identical or similar assets in non-active markets:
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

Fair value of the “Endowment Held by Others” in long-term investments is reported as Level 3 measurements as they represent an interest in investments pooled with other organizations’ funds at the Erie Community Foundation (“Foundation”). Such interest is not publicly traded nor can it be valued on observable direct or indirect inputs. However, a substantial portion of the underlying assets are measured at fair value using Level 1 and 2 inputs by the Foundation.

Grants Receivable

Grants receivable are stated at the amount billed to grantors for reimbursement of expenses. The Organization provides an allowance for doubtful accounts, if applicable. The Organization estimates its allowance for doubtful accounts and bad debts based on management’s assessment of the collectability of receivables, prior experience, and discussions with and information provided by governmental agencies and others to whom the Organization extends credit. Management has determined no allowance necessary for Grants Receivable at June 30, 2023 and 2022. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Support

All contributions are considered available for the Organization’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Membership Pledges

Public Broadcasting of Northwest Pennsylvania, Inc. is supported through membership pledges. These pledges are recurring gifts with no definite end date or total pledge amount. Previous accounting for these pledges recognized outstanding pledges as a receivable on the books with a related reserve for uncollectible amounts. The Organization switched to using a new pledge collection company and software which tracks pledges as they are received instead of when they are promised. This method of recognition is an industry standard.

Contributed Services

Public Broadcasting of Northwest Pennsylvania, Inc. receives significant personal services from volunteers which do not meet the criteria for recognition as contributed services under US GAAP in the *Statement of Activities*. Public Broadcasting of Northwest Pennsylvania, Inc. received approximately 1,750 volunteer hours from approximately 300 volunteers in 2023 and 2022. These volunteered service hours are not recorded in the financial statements but are critical to the on-going operations of the Organization.

In-Kind Contributions

In addition to receiving cash contributions, Public Broadcasting of Northwest Pennsylvania, Inc. receives in-kind contributions of donated supplies and food from various donors. Such amounts, which are based upon information provided by third-party service providers, are recorded at the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended June 30, 2023 and 2022, \$10,172 and \$1,760, respectively, were received as in-kind contributions. Of the 2023 in-kind contributions \$8,792 were supplies and \$1,380 were food items.

Deferred Revenues

Payments received by and requiring Public Broadcasting of Northwest Pennsylvania, Inc. to complete some activity (program production, special event) subsequent to June 30 are deferred and recognized as revenue when the activity has been completed.

Functional Allocation of Expenses

The cost of providing programs and other activities have been summarized on a functional basis in the *Statements of Activities*. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and related costs are allocated based on estimated time and effort. Depreciation and Interest are based on square footage. Telephone, utilities, and office supplies are allocated based on management's estimation of costs utilized by each function.

Use of Estimates

The preparation of financial statements in conformity with US GAAP required management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Pension Plan

Public Broadcasting of Northwest Pennsylvania, Inc. maintains a contributory defined contribution pension plan for all eligible employees. Employees may elect to contribute no more than sixteen percent of their annual salary to the plan. Public Broadcasting of Northwest Pennsylvania, Inc. is required to match sixty percent of the first six percent of voluntary employee contributions. Employee contributions exceeding six percent of their annual salary are not matched by Public Broadcasting of Northwest Pennsylvania, Inc. Public Broadcasting of

Northwest Pennsylvania, Inc. may also make discretionary non-matching contributions to the plan. Pension costs included in the *Statement of Activities* amounted to \$37,172 for the year ended June 30, 2023 and \$38,217 for the year ended June 30, 2022.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Federal and State agencies have three years to review tax returns and therefore, the Organization's last three tax years are still open for review.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU-2016-02, *Leases (Topic 842)*, which lays out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties in a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based upon the principle of whether the lease is effectively a financed purchase through the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively.

A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of more than 12 months, regardless of their classification. Leases with a term of 12 months or less will be expensed directly. The new standard is effective for fiscal years beginning after December 15, 2021, with early adoption permitted.

The Organization adopted this ASU using the modified retrospective transition approach and the effective date method, which allowed the Organization to apply the new standard at the adoption date of July 1, 2022. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets, net of accumulated amortization, and operating lease liabilities in the statement of financial position. Public Broadcasting uses the risk-free rate at lease commencement to perform a lease classification test and to measure the lease liability and right-of-use asset. Public Broadcasting is not required to adjust comparative periods or provide comparative period disclosures. The Organization also elected to use the transition package of practical expedients and short-term lease exemption. As of June 30, 2023, Public Broadcasting recognized a lease liability of \$950,201 and a right-of-use asset of \$936,269.

NOTE 2 – CASH DEPOSITS

Cash:

Custodial Credit Risk – Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The bank and carrying balances at June 30, 2023 were \$428,325 and 236,282, respectively. The bank balance at June 30, 2023 in the amount of \$425,598 was fully covered by FDIC insurance. \$2,727 of the bank balance was exposed to custodial credit risk.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 and 2022 were comprised of:

| | 2023 | 2022 |
|----------------------------------------------|---------------------|---------------------|
| Land and land improvements | \$ 860,642 | \$ 837,676 |
| Buildings | 3,141,042 | 3,141,042 |
| Transmission equipment | 3,378,955 | 3,378,955 |
| Production equipment | 2,026,370 | 1,937,941 |
| Office equipment | 766,462 | 757,969 |
| Vehicles | 68,314 | 61,919 |
| Total Assets | \$ 10,241,785 | \$ 10,115,502 |
| Accumulated Depreciation | (7,688,835) | (7,470,556) |
| Total Assets Net of Accumulated Depreciation | <u>\$ 2,552,950</u> | <u>\$ 2,644,946</u> |

In conjunction with the Federal Communication Commission's [FCC] repurposing of the UHF 600 MHz band spectrum for flexible broadband use, stations which have elected not to sell their allocated UHF 600 MHz spectrum are being reimbursed by the FCC for the repackaging of their broadcasting systems. Public Broadcasting of Northwest Pennsylvania, Inc. has made the decision not to sell its spectrum allocation, but rather upgrade its broadcast equipment subject to reimbursement by the FCC. The Organization recognized all of these costs in prior fiscal years. All reimbursements have been finalized as of June 30, 2023.

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents Public Broadcasting of Northwest Pennsylvania, Inc.'s financial assets at June 30, 2023 and 2022:

| | | |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
| Financial assets at year end: | 2023 | 2022 |
| Cash and cash equivalents | \$ 236,282 | \$ 224,906 |
| Trade receivables | 25,389 | 146,360 |
| Membership pledges receivable | 79 | 129,130 |
| Long-term investments | 3,709,091 | 3,134,321 |
| Total financial assets | <u>3,970,841</u> | <u>3,634,717</u> |
| Less amounts not available to be used within one year: | | |
| Net assets with donor restrictions | <u>709,560</u> | <u>383,042</u> |
| | <u>709,560</u> | <u>383,042</u> |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 3,261,281</u> | <u>\$ 3,251,675</u> |

Public Broadcasting of Northwest Pennsylvania, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$950,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. Public Broadcasting of Northwest Pennsylvania, Inc. has a \$500,000 line of credit available to meet cash flow needs.

NOTE 5 – INVESTMENTS AND INVESTMENT RETURN

Investments (excluding endowments from Note 6) are stated at fair value at June 30, 2023 and 2022. The Organization has investments through the Erie Community Foundation, 1865 Wealth Advisors (formerly known as Erie Bank Investment Advisors), and Ameriprise Financial. Fair value at June 30, 2023 and 2022 is \$204,121 and \$264,187, respectively.

Total investment return, including interest in assets at the Erie Community Foundation and 1865 Wealth Advisors, endowment and investments, for the years ended June 30, 2023 and 2022, are comprised of the following:

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------------|-------------------|---------------------|
| Interest and dividend income | \$ 110,075 | \$ 27,382 |
| Realized & unrealized gains (losses), net | 153,933 | (339,946) |
| Fees | <u>(15,810)</u> | <u>(14,688)</u> |
| | <u>\$ 248,198</u> | <u>\$ (327,252)</u> |

Long-term investments at June 30, 2023 and 2022 consisted of:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|---------------------|---------------------|
| Common stocks | \$ 1,407,720 | \$ 1,269,903 |
| Common equity funds | 221,574 | 197,362 |
| Real estate mutual funds | 25,074 | 26,661 |
| Common fixed income funds | 789,996 | 804,802 |
| Endowment held by others | <u>38,917</u> | <u>37,148</u> |
| | 2,483,281 | 2,335,876 |
| Money market funds and cash | <u>1,225,810</u> | <u>798,445</u> |
| | <u>\$ 3,709,091</u> | <u>\$ 3,134,321</u> |

As of June 30, 2023 and 2022, all investments were considered Level 1 investments except as follows – real estate mutual funds and natural resource mutual funds are considered Level 2 investments; and endowment held by others are considered Level 3 investments.

NOTE 6 – ENDOWMENTS

The Organization's endowments consist of approximately two individual funds established for a variety of purposes. The endowments are unrestricted in nature. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and replied based on the existence or absence of donor-imposed restrictions. Endowments have been established at the Erie Community Foundation (ECF) and with 1865 Wealth Advisors. The funds are invested in various marketable debt and equity securities, mutual funds and certain alternative investments. At June 30, 2023 and 2022, respectively, the endowments consisted of \$38,917 and \$37,148 at The Erie Community Foundation, and \$3,466,053 and \$2,832,986, in 1865 Wealth Advisors.

The Organization has an unrestricted agency endowment fund held by the Erie Community Foundation. ECF pools these endowment funds with the funds received from various other organizations. The pooled funds are then utilized to create an investment portfolio that is managed and administered by ECF. ECF is responsible for allocating the Organization their respective share of the investment portfolio's performance.

For the years ended June 30, 2023 and 2022, respectively, the Organization elected to receive no distributions of the income available in The Erie Community Foundation Endowment.

Interpretation of Relevant Law

The current relevant law for the investment and distribution of restricted endowment and trust funds in the Commonwealth of Pennsylvania is PA Act 141 (Act 141). Act 141 requires an organization to adopt and follow a "total return" investment policy to seek the best total return on the principal, whether from capital appreciation, earnings, or both. Since all of the Organization's endowments are unrestricted, Public Broadcasting of Northwest Pennsylvania, Inc. determines the annual amounts to be appropriated for expenditure, if any. The composition of net assets by type of endowment fund at June 30, 2023 and 2022 were all unrestricted with no designations.

NOTE 7 – FAIR VALUE MEASUREMENTS

The following table presents the fair value measurements of assets recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

| | | Fair Value Measurements Using | | |
|--------------------------------------------------------|---------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| | Fair Value | | | |
| <u>June 30, 2022</u> | | | | |
| 1865 Wealth Advisors - Tower Proceeds | \$ 186,790 | \$ 186,790 | \$ - | - |
| 1865 Wealth Advisors - Endowment IMA | 3,466,053 | 3,466,053 | | - |
| Ameriprise Financial | 17,331 | 17,331 | | |
| Interest in assets at the Erie Community Foundation | 38,917 | - | - | 38,917 |
| <u>Total Investments</u> | <u>\$ 3,709,091</u> | <u>\$ 3,670,174</u> | <u>\$ -</u> | <u>\$ 38,917</u> |

Fair Value Measurements Using

| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--------------------------------------------------------|---------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| | Fair Value | | | |
| <u>June 30, 2022</u> | | | | |
| 1865 Wealth Advisors - Tower Proceeds | \$ 248,064 | \$ 248,064 | \$ - | \$ - |
| 1865 Wealth Advisors - Endowment IMA | 2,832,985 | 2,806,274 | 26,711 | - |
| Ameriprise Financial | 16,124 | | | |
| Interest in assets at the Erie Community Foundation | 37,148 | - | - | 37,148 |
| <u>Total Investments</u> | <u>\$ 3,134,321</u> | <u>\$ 3,054,338</u> | <u>\$ 26,711</u> | <u>\$ 37,148</u> |

The following table provides a reconciliation of the invested assets of the Erie Community Foundation Endowment measured at fair value on a recurring basis for securities using Level 3 inputs for the years ended June 30, 2023 and 2022:

| | 2023 | 2022 |
|-----------------------------------------------|------------------|------------------|
| <u>Beginning of Year Estimated Fair Value</u> | \$ 37,148 | \$ 38,761 |
| Investment income (loss), net of fees | 1,769 | (1,613) |
| <u>End of Year Estimated Fair Value</u> | <u>\$ 38,917</u> | <u>\$ 37,148</u> |

NOTE 8 – LINE OF CREDIT

At June 30, 2023 and 2022 Public Broadcasting of Northwest Pennsylvania, Inc. has available a \$500,000 variable rate, bank line of credit which automatically renews annually. The line of credit bears interest at the prime rate minus one quarter percent (1/4%) and is secured by a first priority perfected security interest in all property of Public Broadcasting of Northwest Pennsylvania, Inc.

The balance as of June 30, 2023 and 2022 was \$100,000 and \$0, respectively.

NOTE 9 - LEASE REVENUE

Public Broadcasting of Northwest Pennsylvania, Inc. leases office space in its building to several for-profit and not-for-profit organizations. The leases are accounted for as operating leases. Two of the leases ended as of June 30, 2023. The remaining lease is renewable on an annual basis and is expected to continue through the next fiscal year with average monthly payments of \$1,869.

Total office space rental income was \$28,797 and \$38,092, for the years ended June 30, 2023 and 2022.

NOTE 10 – LEASE ASSET AND LIABILITY

For the purposes of adopting ASU Topic 842, Public Broadcasting has opted to utilize the following practical expedients offered to non-profit organizations:

- Modified retrospective transition approach and effective date method
- Risk-free interest rate as of the commencement date
- Not to separate lease and non-lease components

Under the modified retrospective transition approach and effective date method, Public Broadcasting is not required to restate prior period balances. Instead, they will recognize the right-of-use asset and corresponding liability for long term leases as of the effective date of July 1, 2022. The risk-free rate as of the commencement of the lease will be used when the implicit rate is not reasonably determinable. Public Broadcasting will not separate lease and non-lease components if their values are not reasonably determinable. The Organization includes, in the determination of the right-of-use assets and liabilities, any renewal options when the options are reasonably certain to be exercised.

The Organization leases broadcast towers (additional details outlined in Note 10) from Grain Communications (GS) and a translator antenna from Keith Klingler. The terms for both leases run through January 2031 and include reasonably certain lease renewal terms. The present value of the lease payments for the leases are calculated using a risk-free rate of 2.889%. Payments are made monthly for the GS lease and annually for the Keith Klingler lease. Both leases increase lease expense annually by the greater of 2% or CPI.

Operating right-of-use amortization expense for the year ended June 30, 2023 was \$108,995. The reconciliation of the right-of-use asset balance and future amortization expense as of June 30, 2023 is as follows:

| Right of Use Asset Reconciliation | |
|-----------------------------------|-------------------|
| | 2022 |
| Beginning Lease ROU Asset | \$ 1,045,264 |
| 2022 Amortization Expense | (108,995) |
| Ending Lease ROU Asset, net | <u>\$ 936,269</u> |

| Future Amortization of Lease ROU Asset | |
|----------------------------------------|-------------------|
| Year Ended June 30, | |
| 2024 | \$ 111,730 |
| 2025 | 114,865 |
| 2026 | 118,097 |
| 2027 | 121,501 |
| 2028 | 125,052 |
| Therafter | <u>345,024</u> |
| Total Future Amortization | <u>\$ 936,269</u> |

Total lease cash payments and recognized interest expense for the year ended June 30, 2023 were \$123,680 and \$28,616, respectively. The future minimum lease payments for operating leases with terms greater than one year are as follows:

| | |
|----------------------------------|-------------------|
| Year Ended June 30, | |
| 2024 | \$ 129,160 |
| 2025 | 131,743 |
| 2026 | 134,378 |
| 2027 | 137,065 |
| 2028 | 139,806 |
| Thereafter | <u>389,371</u> |
| Total Future Minimum Payments | 1,061,523 |
| Less Interest | <u>(111,322)</u> |
| Present Value of Lease Liability | <u>\$ 950,201</u> |

NOTE 11 – TOWER SALE AND LEASE-BACK

On February 4, 2011, Public Broadcasting of Northwest Pennsylvania, Inc. had entered into an initial agreement with Grain Communications II, LLC (GC) for the sale and lease-back of its broadcast towers. As of February 4, 2021, this lease has been renewed for a 60-month, (5) year period. Public Broadcasting of Northwest Pennsylvania, Inc. retains ownership of the land upon which the towers are located and leases that land to GC. GC owns the towers and is leasing them back to Public Broadcasting of Northwest Pennsylvania, Inc. under the terms of the agreements:

- (1) Public Broadcasting of Northwest Pennsylvania, Inc. sold the broadcast towers to GC for a sum of \$1,023,000.
- (2) \$120,000 of the sale proceeds were committed by Public Broadcasting of Northwest Pennsylvania, Inc. for certain repairs to the towers.
- (3) Public Broadcasting of Northwest Pennsylvania, Inc. shall lease the property upon which the broadcast towers are located from GC. Original payments required a monthly rental of \$750, with annual escalators of the greater of two percent (2%) or CPI. The leases shall have an initial term of ten (10) years with an additional ten (10) renewal terms of five (5) years each. Upon expiration of the initial term and any renewal period, the lease shall become a month-to-month lease at a monthly rent of one-hundred fifty percent (150%) of the rent applicable during the last month of the immediately preceding term. GC satisfied this obligation under a perpetual easement agreement dated December 28, 2021, with a payout of \$160,952. The rental payments were satisfied in full by this amount & will no longer be required past the fiscal year ending June 30, 2022.
- (4) Public Broadcasting of Northwest Pennsylvania, Inc. shall lease the towers from GC for a total annual rental of \$90,000, with annual escalators of the greater of two percent (2%) or CPI. The leases shall have an initial term of ten (10) years with an additional four (4) renewal terms of five (5) years each. Upon expiration of the initial term and any renewal period, the lease shall become a month-to-month lease at a monthly rent of one-hundred fifty percent (150%) of the rent applicable during the last month of the immediately preceding term.
- (5) Existing tower-space leases between Public Broadcasting of Northwest Pennsylvania, Inc. and third-parties shall be transferred to GC.

NOTE 12 – EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM

For the year ended June 30, 2023 and 2022 Public Broadcasting of Northwest Pennsylvania, Inc. received \$34,249 and \$22,788, respectively in contributions under its Commonwealth of Pennsylvania, Department of Community and Economic Development education improvement tax credit program. The program provides tax credits to businesses that contribute to scholarship organizations or education improvement programs.

NOTE 13 – RISK AND UNCERTAINTIES

The Organizations investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and that such changes could materially affect the amounts reported in the *Statement of Financial Position*.

NOTE 14 – NET ASSETS

Net assets without donor restrictions were as follows for the years ended June 30, 2023 and 2022:

| | June 30, | |
|----------------------------|---------------------|---------------------|
| | 2023 | 2022 |
| Without donor restrictions | <u>\$ 5,559,793</u> | <u>\$ 5,720,786</u> |

Net assets with donor restrictions were as follows for the years ended June 30, 2023 and 2022

| | June 30, | |
|----------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| With donor restrictions | | |
| Erie Chronicles Production | <u>\$ 709,560</u> | <u>\$ 383,042</u> |

Net assets released from net assets with donor restrictions are as follows:

| | June 30, | |
|---------------------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Satisfaction of Purpose Restrictions: | | |
| Erie Chronicles Production | <u>\$ 438,482</u> | <u>\$ 116,958</u> |

NOTE 15 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 15, 2023, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors of
Public Broadcasting of Northwest Pennsylvania, Inc.

We have audited the financial statements of Public Broadcasting of Northwest Pennsylvania, Inc., as of and for the year ended June 30, 2023 and have issued our report, thereon, dated September 15, 2023. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The following *Schedule of Activities by Operational Function* is presented for the purpose of additional analysis and Annual Financial Report requirements of the Corporation for Public Broadcasting and is not a required part of the basic financial statements of Public Broadcasting of Northwest Pennsylvania, Inc. 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.

Buseck, Barger, Bleil & Co. Inc.

Certified Public Accountants
Erie, Pennsylvania

September 15, 2023

PUBLIC BROADCASTING OF NORTHWEST PENNSYLVANIA, INC.
SCHEDULE OF ACTIVITIES BY OPERATIONAL FUNCTION
YEARS ENDED JUNE 30, 2023 AND 2022

| | <u>TV</u> | <u>FM</u> | <u>Total</u> |
|-------------------------------------------------------|------------------|------------------|---------------------|
| <u>Operating Activities</u> | | | |
| <u>Revenues and Other Support</u> | | | |
| Corporation for Public Broadcasting | \$ 857,200 | \$ 93,474 | \$ 950,674 |
| Other grants | 125,000 | - | 125,000 |
| Contributed services and supplies | 7,056 | 3,116 | 10,172 |
| Broadcasting, underwriting and production | 1,101,179 | 197,306 | 1,298,485 |
| Membership | 913,745 | 392,171 | 1,305,916 |
| Auction/special events | 285,562 | 139,107 | 424,669 |
| Facilities rental | 28,797 | - | 28,797 |
| Educational revenue and grants | 46,581 | 19,963 | 66,544 |
| Contributions | 181 | 77 | 258 |
| Other | 152 | - | 152 |
| | <u>3,365,453</u> | <u>845,214</u> | <u>4,210,667</u> |
| <u>Total Revenues and Other Support</u> | | | |
| <u>Expenses</u> | | | |
| Program services | | | |
| Broadcasting | 294,484 | 177,546 | 472,030 |
| Program/production | 1,093,949 | 468,836 | 1,562,785 |
| Public information | 484,933 | 36,550 | 521,483 |
| Support services | | | |
| Fundraising | 476,459 | 204,196 | 680,655 |
| Management and general | 739,470 | 316,916 | 1,056,386 |
| | <u>3,089,295</u> | <u>1,204,044</u> | <u>4,293,339</u> |
| <u>Total Expenses</u> | | | |
| <u>Change in Net Assets from Operating Activities</u> | 276,158 | (358,830) | (82,672) |
| <u>Nonoperating Activities</u> | | | |
| Gain(loss) on sale of fixed assets | - | - | - |
| Investment return, net | 173,739 | 74,459 | 248,198 |
| | <u>173,739</u> | <u>74,459</u> | <u>248,198</u> |
| <u>Total Nonoperating Activities</u> | | | |
| <u>Change in Net Assets</u> | 449,897 | (284,371) | 165,526 |
| <u>Net assets, beginning of year</u> | | | <u>6,103,828</u> |
| <u>Net Assets, end of year</u> | | | <u>\$ 6,269,354</u> |