

Vermont Public Co.

Financial Statements
June 30, 2024 and 2023

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Independent Auditor's Report

To the Board of Directors
Vermont Public Co.

Opinion

We have audited the financial statements of Vermont Public Co. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Vermont Public Co. as of June 30, 2024 and 2023, and the changes in its net assets, its functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Vermont Public Co. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Vermont Public Co.'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 GAAS 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 GAAS, 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 Vermont Public Co.'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vermont Public Co.'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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 audits 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Gallagher, Flynn & Company, LLP

South Burlington, Vermont
January 6, 2025

Vermont Public Co.

**Statements of Financial Position
June 30, 2024 and 2023**

	2024	2023
Assets		
Current assets:		
Cash	\$ 1,824,165	\$ 1,107,512
Accounts receivable	138,057	142,791
Underwriting receivables	516,330	752,012
Other pledges receivable	36,674	173,539
Prepaid expenses and other current assets	456,007	402,649
Investments available for operations	5,428,773	3,540,000
Total current assets	8,400,006	6,118,503
Investments, less portion classified as available for current use	55,150,840	56,144,388
Property and equipment	14,346,599	16,549,095
Beneficial interests in trusts	2,207,986	1,452,543
Intangible assets	3,389,603	3,364,603
Right-of-use assets, operating leases	2,056,443	5,497,517
Total assets	\$ 85,551,477	\$ 89,126,649
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 300,338	\$ 330,544
Current portion of accrued expenses	848,270	790,675
Current portion of deferred revenue	51,262	193,844
Current maturities of operating lease liabilities	123,043	326,242
Total current liabilities	1,322,913	1,641,305
Deferred revenue, less current portion	26,250	61,250
Accrued expenses, less current portion	455,726	563,284
Operating lease liabilities, less current maturities	2,110,960	5,697,595
Total liabilities	3,915,849	7,963,434
Net assets:		
Without donor restrictions	67,130,959	67,890,798
With donor restrictions	14,504,669	13,272,417
Total net assets	81,635,628	81,163,215
Total liabilities and net assets	\$ 85,551,477	\$ 89,126,649

The accompanying notes are an integral part of these statements.

Vermont Public Co.

**Statement of Activities
Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and reclassifications:			
Support revenues:			
Membership contributions	\$ 7,841,711	\$ 100,240	\$ 7,941,951
Program grants	-	2,139,951	2,139,951
Bequests	361,806	522,717	884,523
Television underwriting	280,854	-	280,854
Radio underwriting	3,073,284	-	3,073,284
Program service revenue:			
License and lease revenue	1,321,221	-	1,321,221
Investment return allocated to support operations	5,076,068	463,932	5,540,000
Other	87,927	2,250	90,177
Reclassifications of net assets released from restriction	3,688,231	(3,688,231)	-
Total revenues and reclassifications	21,731,102	(459,141)	21,271,961
Expenses:			
Program services:			
Content	5,286,342	-	5,286,342
Audience and community	5,939,555	-	5,939,555
Engineering	5,352,261	-	5,352,261
Total program services	16,578,158	-	16,578,158
Supporting expenses:			
Administration	3,180,558	-	3,180,558
Member services	975,680	-	975,680
Financial development	2,031,784	-	2,031,784
Total supporting expenses	6,188,022	-	6,188,022
Total expenses	22,766,180	-	22,766,180
Loss from operations	(1,035,078)	(459,141)	(1,494,219)
Nonoperating income (loss):			
Investment return, net of amounts allocated to support operations	30,211	935,950	966,161
Loss on disposal of equipment	(62,722)	-	(62,722)
Gain on modification of operating lease	307,750	-	307,750
Contributions - beneficial interests in trusts	-	707,225	707,225
Change in beneficial interests in trusts	-	48,218	48,218
Total nonoperating income	275,239	1,691,393	1,966,632
Increase (decrease) in net assets	(759,839)	1,232,252	472,413
Net assets, beginning of year	67,890,798	13,272,417	81,163,215
Net assets, end of year	\$ 67,130,959	\$ 14,504,669	\$ 81,635,628

The accompanying notes are an integral part of these statements.

Vermont Public Co.

**Statement of Activities
Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and reclassifications:			
Support revenues:			
Membership contributions	\$ 7,777,103	\$ 251,312	\$ 8,028,415
Program grants	-	1,807,222	1,807,222
Bequests	170,465	338,365	508,830
Television underwriting	-	610,928	610,928
Program service revenue:			
License and lease revenue	1,358,924	-	1,358,924
Radio underwriting	3,307,608	-	3,307,608
Investment return allocated to support operations	2,848,412	484,699	3,333,111
Other	83,026	-	83,026
Reclassifications of net assets released from restriction	3,577,073	(3,577,073)	-
Total revenues and reclassifications	19,122,611	(84,547)	19,038,064
Expenses:			
Program services:			
Content	4,777,235	-	4,777,235
Audience and community	5,153,820	-	5,153,820
Engineering	5,326,462	-	5,326,462
Total program services	15,257,517	-	15,257,517
Supporting expenses:			
Administration	2,910,489	-	2,910,489
Member services	1,008,609	-	1,008,609
Financial development	2,052,229	-	2,052,229
Total supporting expenses	5,971,327	-	5,971,327
Total expenses	21,228,844	-	21,228,844
Loss from operations	(2,106,233)	(84,547)	(2,190,780)
Nonoperating income:			
Investment return, net of amounts allocated to support operations	1,512,233	458,768	1,971,001
Change in beneficial interests in trusts	-	8,646	8,646
Total nonoperating income	1,512,233	467,414	1,979,647
Increase (decrease) in net assets	(594,000)	382,867	(211,133)
Net assets, beginning of year	68,484,798	12,889,550	81,374,348
Net assets, end of year	\$ 67,890,798	\$ 13,272,417	\$ 81,163,215

The accompanying notes are an integral part of these statements.

Vermont Public Co.

**Statement of Functional Expenses
Year Ended June 30, 2024**

	Program Services					Supporting Expenses				Total Expenses
	Audience and Community			Engineering	Program Services	Administration	Member Services	Financial Development	Supporting Expenses	
	Content	Community	Engineering	Program Services						
Salaries	\$ 3,207,877	\$ 1,830,491	\$ 1,242,085	\$ 6,280,453	\$ 1,564,306	\$ 399,578	\$ 788,565	\$ 2,752,449	\$ 9,032,902	
Employee benefits	914,436	477,455	363,005	1,754,896	269,097	118,301	220,068	607,466	2,362,362	
Payroll taxes	244,462	135,199	92,862	472,523	103,815	29,546	58,727	192,088	664,611	
Total salaries and related expenses	4,366,775	2,443,145	1,697,952	8,507,872	1,937,218	547,425	1,067,360	3,552,003	12,059,875	
Professional and outside services	42,678	165,540	471,893	680,111	334,776	34,314	99,817	468,907	1,149,018	
Program acquisitions	75,108	2,178,818	-	2,253,926	-	-	-	-	2,253,926	
Maintenance and facilities	196,929	76,741	828,885	1,102,555	113,098	9	100,165	213,272	1,315,827	
Communications and software	42,904	205,912	199,034	447,850	117,911	254,605	18,559	391,075	838,925	
Utilities	113,549	53,573	707,117	874,239	28,104	2,601	100,351	131,056	1,005,295	
Subscriptions, dues and promotions	36,673	376,210	17,642	430,525	241,658	3,075	120,918	365,651	796,176	
Bank charges and other fees	-	-	-	-	55,182	-	215,763	270,945	270,945	
Insurance	115,751	61,732	45,758	223,241	34,950	-	45,608	80,558	303,799	
Other	77,914	84,029	52,865	214,808	84,504	5,089	39,276	128,869	343,677	
Total expenses before depreciation and amortization - property and equipment	5,068,281	5,645,700	4,021,146	14,735,127	2,947,401	847,118	1,807,817	5,602,336	20,337,463	
Depreciation and amortization - property and equipment	218,061	293,855	1,331,115	1,843,031	233,157	128,562	223,967	585,686	2,428,717	
Total expenses	\$ 5,286,342	\$ 5,939,555	\$ 5,352,261	\$ 16,578,158	\$ 3,180,558	\$ 975,680	\$ 2,031,784	\$ 6,188,022	\$ 22,766,180	

The accompanying notes are an integral part of these statements.

Vermont Public Co.

**Statement of Functional Expenses
Year Ended June 30, 2023**

	Program Services				Supporting Expenses				Total Expenses
	Content	Audience and Community	Engineering	Program Services	Administration	Member Services	Financial Development	Supporting Expenses	
Salaries	\$ 2,952,428	\$ 1,574,271	\$ 1,293,976	\$ 5,820,675	\$ 1,287,342	\$ 370,744	\$ 887,073	\$ 2,545,159	\$ 8,365,834
Employee benefits	756,641	413,262	386,320	1,556,223	311,780	128,242	257,691	697,713	2,253,936
Payroll taxes	220,653	125,494	96,612	442,759	90,962	27,293	65,749	184,004	626,763
Total salaries and related expenses	3,929,722	2,113,027	1,776,908	7,819,657	1,690,084	526,279	1,210,513	3,426,876	11,246,533
Professional and outside services	81,309	161,329	436,161	678,799	453,365	87,673	209,346	750,384	1,429,183
Program acquisitions	96,488	2,039,381	-	2,135,869	-	-	-	-	2,135,869
Maintenance and facilities	228,965	78,805	768,696	1,076,466	186,373	-	107,770	294,143	1,370,609
Communications and software	29,440	188,675	193,296	411,411	77,150	299,157	28,127	404,434	815,845
Utilities	84,358	45,324	686,042	815,724	23,678	69,419	45,227	138,324	954,048
Subscriptions, dues and promotions	20,267	359,622	9,758	389,647	178,739	8,980	81,960	269,679	659,326
Bank charges and other fees	-	-	-	-	62,482	-	186,925	249,407	249,407
Insurance	104,836	67,311	45,698	217,845	32,201	-	45,698	77,899	295,744
Other	81,399	86,537	69,583	237,519	182,998	5,018	65,783	253,799	491,318
Total expenses before depreciation and amortization - property and equipment	4,656,784	5,140,011	3,986,142	13,782,937	2,887,070	996,526	1,981,349	5,864,945	19,647,882
Depreciation and amortization - property and equipment	120,451	13,809	1,340,320	1,474,580	23,419	12,083	70,880	106,382	1,580,962
Total expenses	\$ 4,777,235	\$ 5,153,820	\$ 5,326,462	\$ 15,257,517	\$ 2,910,489	\$ 1,008,609	\$ 2,052,229	\$ 5,971,327	\$ 21,228,844

The accompanying notes are an integral part of these statements.

Vermont Public Co.

**Statements of Cash Flows
Years Ended June 30, 2024 and 2023**

	2024	2023
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 472,413	\$ (211,133)
Noncash items included in increase (decrease) in net assets:		
Investment return gain	(6,506,161)	(5,304,112)
Bad debt expense (recovery)	64,887	(2,083)
Depreciation and amortization - property and equipment	2,428,717	1,580,962
Loss on disposal of property and equipment	62,722	-
Gain on modification of operating lease	(307,750)	-
Amortization of right-of-use assets, operating leases	304,443	360,008
Contributions of beneficial interests and investments	(707,225)	(40,266)
Change in beneficial interests in trusts	(48,218)	(8,646)
Changes in assets and liabilities:		
Receivables	312,394	(226,546)
Prepaid expenses and other current assets	(53,358)	(108,725)
Accounts payable	(30,206)	(25,506)
Accrued expenses	(49,963)	(342,530)
Deferred revenue	(177,582)	(64,657)
Operating lease liabilities	(345,453)	(305,079)
Net cash used in operating activities	(4,580,340)	(4,698,313)
Cash flows from investing activities:		
Capitalized intangible assets	-	(92,427)
Property and equipment purchases	(313,943)	(416,512)
Investment withdrawals	5,610,936	3,333,111
Net cash provided by investing activities	5,296,993	2,824,172
Net increase (decrease) in cash	716,653	(1,874,141)
Cash, beginning of year	1,107,512	2,981,653
Cash, end of year	\$ 1,824,165	\$ 1,107,512

(continued)

Vermont Public Co.

**Statements of Cash Flows (continued)
Years Ended June 30, 2024 and 2023**

	2024	2023
Supplementary disclosures of cash flows information:		
Cash paid during the year for:		
Income taxes	\$ 157,546	\$ 80,219
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash outflows	\$ 498,000	\$ 486,000
Noncash investing and financing activities:		
Derecognized right-of-use asset related to operating lease modification	\$ 3,136,631	\$ -
Derecognized lease liability related to operating lease modification	\$ 3,444,381	\$ -

Vermont Public Co.

Notes to Financial Statements

Note 1. Operations

Vermont Public Co. (dba Vermont Public) (the Organization) was formed in September 2020 and commenced operations in July 2021 pursuant to the merger of Vermont Public Radio, Inc. and Vermont ETV, Inc. Vermont Public is the state of Vermont's public media station, which produces local content, as well as programming from NPR, PBS and other national entities. The Organization is a statewide not-for-profit organization serving Vermont and the surrounding regions, with its headquarters in Colchester, Vermont. The Organization distributes noncommercial content through a variety of means, including radio, television, online streaming and direct community engagement, over a variety of spectra under licenses issued by the Federal Communications Commission (FCC). The Organization's content includes a variety of relevant issues, such as public affairs, news, educational, cultural and scientific topics, as well as music and arts content. The Organization has transmission facilities on owned and leased land throughout the state of Vermont and contracts for the use of these facilities with other commercial and noncommercial entities for broadcast and telecommunication purposes.

The Organization receives substantial funding from individual contributions (memberships), program underwriting, and the lease and licensing of real and personal property.

The Organization's programs reflect its mission. Program efforts are classified as follows:

- **Content:** The Organization creates content for distribution to consumers/constituents.
- **Audience and community:** The Organization works with its constituents to identify their needs, designs program targets, and acquires and manages content delivery on its various distribution platforms.
- **Engineering:** This program includes the costs of the technical systems for distribution of content, including towers, studios and information technology.

Note 2. Summary of Significant Accounting Policies

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of presentation: The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which requires the Organization 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 management and the Board of Directors (the Board) and include Board-designated funds that may be expended with the approval of the Board.

Vermont Public Co.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Cash: The Organization may have significant amounts of cash that are in excess of federally insured limits at any point in time. Although the Organization has not experienced any losses to date and does not anticipate incurring any losses, it cannot be assured that the Organization's losses will not be incurred. Amounts held for reinvestment in the Organization's investment portfolios are excluded from cash (see Note 5).

Revenue recognition - contracts with customers: Through June 30, 2023, revenues from radio underwriting contracts were recognized when control of the promised services were transferred to customers (as related underwriting spots were aired) in an amount that reflected the consideration expected to be received in exchange for those services. Effective July 1, 2023, revenues under radio agreements are recognized similarly to television. The effect of this change in accounting was not material to the 2024 or 2023 financial statements.

Revenue recognition - license and lease revenue: The Organization leases and licenses building and tower space, as well as capacity on a non-broadcast spectrum to lessees and licensees. Revenues associated with these agreements are recorded as license and lease revenue during the period covered. Payments received in advance are recorded as deferred revenue.

Revenue recognition - support: Support includes membership contributions from individual members, program grants, bequests, television underwriting (and, effective July 1, 2023, radio underwriting). The fair value of the benefits received by the member is de minimis; therefore, membership revenues are accounted for as contributions.

Contributions and promises to give: The Organization accounts for contributions (i.e., support) and promises to give under Accounting Standards Codification Topic 958, *Not-For-Profit Entities*. Contributions received are recorded as contributions with or without restrictions, depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional or when conditions have been substantially met. All contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. Specifically, contributions related to television and radio underwriting under agreements with underwriters are recognized when supported spots are aired, which satisfies the conditions of the underwriting agreement.

As of June 30, 2024, the Organization has been notified of conditional pledges, whereby the conditions have not been substantially met for future support, to the Creating a Sound Future Fund for approximately \$858,000 and to underwriting contracts for approximately \$1,395,000. Amounts received from donors for which conditions have not been met (i.e., refundable advances) are included in accrued expenses and were approximately \$143,000 and \$115,000 at June 30, 2024 and 2023, respectively.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Program grants: Program grants consist of cost-reimbursement-based grants, which are recognized as eligible costs are incurred.

Nonoperating grants: Gifts of property and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire or construct long-lived assets are reported as donor-restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated, acquired, or constructed long-lived assets are placed in service. The Organization did not receive any nonoperating grants in 2024 or 2023.

Contributed materials and services: Materials and equipment contributed to the Organization for resale or for use in operations, and contributed services are recognized as support revenue at fair value in the period received. Contributed services must either create or enhance nonfinancial assets of the Organization and require a specialized skill that the Organization would otherwise need to purchase in order to be recognized in the financial statements. The value of contributed materials, services, and equipment meeting the criteria for recognition in the financial statements was not significant in 2024 or 2023.

Receivables (reclassification in 2023): Accounts receivable relate to lease and licensing agreements and, in 2023, underwriting receivables, and are stated at the amount the Organization expects to collect. The Organization evaluates the collectability of receivables and records a reserve for credit losses representing its estimate of the expected losses resulting from the inability of its customers to make required payments. The Organization evaluates its need for an allowance for customers to make promised payments over the expected life of the receivable based on an assessment of customer creditworthiness, past transaction history with the individual, current economic industry trends, and changes in payment terms. If the financial condition of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

The Organization also evaluates its need for an allowance for the inability of donors and grantors to make promised payments over the expected life of the receivable based on an assessment of customer, donor, and grantor creditworthiness; past transaction history with the individual; current economic industry trends; and changes in payment terms. If the financial condition of the Organization's donors or grantors were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

Additions to the allowance for credit and pledge collection losses are made by recording charges against bad debt expense, a component of expenses. Receivables are written off against the allowance for credit losses when the balance is deemed to be uncollectible. The Organization's allowances for such losses was not material at June 30, 2024 or 2023. All receivable balances are expected to be collected within one year.

The underwriting receivables in 2023 were reclassified from pledges receivable for comparative purposes.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Beneficial interests in trusts: The Organization records contribution revenue for its beneficial interests in trusts in which it is named, or has been legally determined to be, a beneficiary at the estimated fair value of the underlying assets on the date of notification. Certain investments may be remainder interests in which the fair value is estimated based upon actuarial assumptions and discount rates based upon beneficiaries' demographics. The Organization has not been named as a trustee over any of the trusts in which it has a beneficial interest.

Distributions received from perpetual trusts are accounted for as program grant revenue; distributions from nonperpetual trusts are accounted for as reductions in the carrying value of the related trust. Changes in the Organization's carrying value of the beneficial interests as of the date of the statement of financial position are recorded as a gain (loss) in the statement of activities. Total contributions recognized were approximately \$707,000 in 2024 and \$0 in 2023.

Investments and investment return: Investments are recorded at fair value, with changes in fair value during included in the change in net assets. Amounts reported as long-term investments are designated by the Board or donors for noncurrent purposes.

Fair value measurements: The Financial Accounting Standards Board's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands the disclosure about fair value measurements. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or observable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

During the years ended June 30, 2024 and 2023, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its financial position or change in net assets.

Vermont Public Co.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

The following are descriptions of the valuation methodologies used for instruments measured at fair value:

Equity securities and exchange-traded funds: The fair value of equity securities and exchange-traded funds are based on quoted market rates. The exchange-traded closed-end funds transact at the price valued on the New York Stock Exchange or similar active markets. The equity and other securities held by the Organization are deemed to be actively traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

U.S. government securities and asset-backed securities: Valued using pricing models maximizing the use of observable inputs for similar securities. The U.S. government securities and asset-backed securities held by the Organization are available for sale.

Money market funds and mutual funds: Valued at the daily closing price as reported by each fund and deemed to be actively traded.

Beneficial interests: The recorded value of beneficial interests in non-perpetual trusts is the estimated discounted cash flows of income to be received. Assumptions utilized in the estimation process include a long-term growth rate of 5% for invested assets and a discount rate of between 2% and 5%. The recorded value of beneficial interests in perpetual trusts is the lesser of the estimated discounted cash flows to be received or its proportionate share of the fair value of underlying net assets of the trusts. Assumptions utilized in the estimation process for remainder trusts include a long-term growth rate between 0% and 2% and a discount rate of 5%.

The preceding valuation methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Property and equipment: Property and equipment are recorded at cost or, if acquired by a gift, at fair value on the date of the gift. Costs meeting the criteria for capitalization for self-constructed assets are capitalized and recorded at cost. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable and amortizable assets to operations over their estimated service lives. Leasehold improvements are amortized over the terms of the respective leases or the service lives of the improvements, whichever are shorter. The Organization provides for depreciation and amortization on a straight-line basis over the assets' estimated useful lives. During 2024, the Organization amended a lease (see Note 8), which resulted in the acceleration of the amortization of related leasehold improvements abandoned of approximately \$996,000 in 2024.

Leases: The Organization determines if an arrangement is a lease or contains a lease and assesses lease classification at the lease's inception. Lease classification is re-evaluated upon the occurrence of certain events requiring a lease modification. The Organization has elected to account for lease and non-lease components separately.

Lessee leases: Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease terms, subject to remeasurement in the event of modification. Right-of-use assets also include any lease payments made to the lessor at or before the commencement or modification date and initial direct costs less lease incentives received. The lease term commences on the date the lessor makes the asset available to the Organization and includes any renewal periods the Organization is reasonably certain to exercise. The Organization has elected to (1) apply the risk-free discount rate for leases in which there is no implicit rate and (2) not recognize short-term leases (with terms of one year or less) as lease liabilities and right-of-use assets; related expenses are recognized on a straight-line basis over the lease term.

For operating leases, the amortization of right-of-use assets and the accretion of lease liabilities are recognized as a single lease cost, on a straight-line basis, over the lease term. The Organization does not have any material financing lease arrangements.

Lessor leases: For operating leases, the assets are included in property and equipment and the fixed amount of the required payments is recognized as revenue on a straight-line basis over the term of the lease. Revenue for variable payments, such as utilities, taxes and other pass-through fees, is recognized in the period that the changes in facts and circumstances on which the variable lease payments are based occur, which is generally when received.

Impairment of long-lived assets: Property and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held or used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows. An impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value. There was no charge related to impairment in 2024 or 2023.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Intangible assets: The Organization broadcasts content on spectra licensed by the FCC, some of which are awarded by the FCC at little or no cost and others are acquired. Intangible assets consist of FCC licenses acquired for radio broadcasting and are recorded at cost. FCC licenses are indefinite-lived intangible assets and tested for impairment annually or more frequently if an event occurs or there is a change in circumstances that would indicate impairment. The unit of accounting used to test FCC licenses represents all licenses owned and operated by the Organization for radio broadcasting, as such licenses are used together, complementary to each other and representative of the best use of those assets. Management determined that there was no impairment in 2024 or 2023.

Income taxes: The Organization qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. However, the Organization is subject to federal and state income tax on net unrelated business income from certain leasing activities, as defined in the applicable provisions of the Internal Revenue Code. The Organization's provision for unrelated business income taxes is not material in 2024 or 2023.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by tax authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Organization has recognized a liability for potential additional income taxes payable and associated penalties and interest related to positions taken by predecessor entities, which are included in accrued expenses, less current portion in the amount of approximately \$238,000 and \$328,000 at June 30, 2024 and 2023, respectively. The Organization's provision for interest and penalties associated with unrecognized tax benefits is not material in 2024 or 2023.

Endowment: The Organization's endowment includes both donor-restricted endowment funds and any funds designated by the Board to function as endowments.

Board-designated endowments: The Board has established four Board-designated funds: the Frank & Peggy Taplin Fund, the Wyant Fund, the Board-Designated Fund, and the Spectrum Fund. The funds in these accounts are available first to satisfy obligations of the Organization and then for purposes designated by the Board.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Interpretation of relevant law: The Organization follows the State of Vermont's Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board has interpreted this law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted net assets (endowments) (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Investment income on the donor-restricted endowment is available to use in accordance with donor restrictions or, in the absence of donor restrictions, the Organization's spending policy until that amount is appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. General economic conditions;
2. The possible effects of inflation and deflation;
3. The role that each investment or course of action plays within the overall investment portfolio of the fund;
4. The expected total return from income and the appreciation of investments;
5. Other resources of the Organization;
6. The needs of the Organization and the fund to make distributions and preserve capital; and
7. An asset's special relationship or special value, if any, to the charitable purposes of the Organization.

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. These deficiencies may result from unfavorable market fluctuations that occur shortly after an investment of new permanently restricted contributions and continued appropriation for certain programs that are deemed prudent by the Board. There were no such deficiencies as of June 30, 2024 or 2023.

Return objective and risk parameters: The Organization has a variety of investment funds that are under the management of an investment committee. The Organization engages the services of asset managers to achieve investment objectives.

Investable assets are intended to have a long-term investment horizon, with the following primary investment objectives:

- Preserve the portfolio's purchasing power through net asset growth in excess of the annual spending policy plus fees and the rate of inflation (Consumer Price Index) plus 1% in perpetuity;
- Protect the investments over the short term against catastrophic declines in value;

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

- Maximize the long-term return while assuming a reasonable level of risk through a diversified portfolio; and
- Provide a stable and predictable revenue distribution for the Organization, which may include, at various times, specific spending by the Organization for various targeted and transformational initiatives.

Strategies employed for achieving objectives: The Organization's investment policy states that, in order to achieve the investment return goals while managing risk, the assets shall be invested in a diversified portfolio of equities and fixed-income opportunities. Accordingly, the policy only allows stock purchases from publicly traded corporations or instruments on recognized exchanges with a reasonable level of trading activity (liquidity). Investments in other funds or collective investments are allowed if risk, returns and management fees are considered reasonable, and concentrated positions in passive funds will be tolerated if there is adequate diversification within the fund. Prohibited positions include concentrated positions, direct ownership of companies, engaging in margin purchasing, short sales or derivative products (for example, any strategy that leverages the portfolio of investments).

The assets of the endowments, including Board-designated funds, shall be invested according to the investment operating guidelines, which contain the target asset allocation and range for each asset class or investment strategy, together with the applicable guidelines and restrictions. This provides a framework for investment managers to achieve the investment objectives at a level of risk consistent with the parameters set forth above.

Spending policy: As part of the annual budget approval process, the Investment Committee shall recommend to the Board the annual accretion or distribution of endowment funds and long-term Board-designated funds. The recommendation will first consider the requirements and restrictions of the specific endowments and then the needs of the wider Organization. The recommendation to spend or accumulate assets will not be made on an overall Organization basis but must be calculated separately with respect to each established fund and according to the respective objectives to make up the total recommended annual spend. The Organization uses a 12-quarter look-back period following each December 31 to establish an average market value and return for the basis of the annual recommendation.

Measure of operations: The statements of activities report all changes in net assets, including changes in net assets from operating activities and nonoperating activities. Operating activities include membership contributions, bequests, program grants, underwriting, license and lease revenue, program services and supporting expenses, and an allocation of investment return intended to support operations. Nonoperating activities are limited to gain (loss) on investments (net of the allocation to operations), contributions restricted for long-term capital expenditure or investment, and other activities considered to be immaterial to operations or that are unusual or nonrecurring in nature.

Vermont Public Co.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Functional expenses and allocation of shared costs: Expenses are charged to program and supporting services based on direct expenses incurred and allocations of common expenses. Common costs are allocated to program and supporting services based upon related estimated utilization. Specifically, employee benefits, insurance and certain utilities, subscriptions and dues, and maintenance and facility charges are allocated based on headcount. Depreciation and amortization are allocated based on departmental asset usage.

Use of estimates: In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Evaluation of subsequent events: In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 6, 2025, the date the financial statements were available to be issued.

Note 3. Availability and Liquidity

The following reflects the Organization's financial assets at approximate values that are estimated to be available to meet general expenditure needs within one year as of June 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,824,200	\$ 1,107,500
Accounts receivable	138,100	142,800
Underwriting receivables	516,300	752,000
Other pledges receivable	36,700	173,500
Investment allocation approved by the Board for the following year's operations	5,428,800	3,540,000
Other investments	-	68,900
	<hr/>	<hr/>
Total financial assets available for general expenditures within one year	\$ 7,944,100	\$ 5,784,700

Vermont Public Co.

Notes to Financial Statements

Note 3. Availability and Liquidity (continued)

As part of the Organization's liquidity management process, the Organization structures its financial assets to be available as general and program expenditures, liabilities, and other obligations become due. The Organization's investments include general investments and Board-designated funds that are not subject to donor restrictions. Should an unforeseen need arise, approximately \$43,000,000 would be available to draw upon with Board approval. In addition to these financial assets, the Organization's history demonstrates a consistent pattern of raising support from the general public and the Corporation for Public Broadcasting (CPB) (see Note 4); therefore, operations and resulting cash flows are budgeted assuming certain levels of ongoing support, the actual results of which are monitored throughout the year. Additionally, the Organization has a \$700,000 line of credit available to meet cash flow needs (see Note 9).

Note 4. Concentrations

The Organization has received a significant portion of its operating revenue from the CPB totaling approximately \$2,044,000 in 2024 and \$1,767,000 in 2023, which is approximately 10% of total revenues. Amounts related to CPB grants, included in pledges receivable, were immaterial at June 30, 2024 and 2023. As CPB is a steward of the federal government's investment in public broadcasting, future funding is subject to political risk, risks of changes in federal government spending priorities, and regulatory compliance risk relative to the Organization continuing to meet CPB compliance requirements. The Organization believes that it has complied with all regulatory requirements.

Note 5. Investments

The Organization manages its investments through various investment managers in accordance with its investment policy. That policy requires, among other things, the maintenance of certain levels of cash in order to ensure liquidity. The Organization has determined that such cash balances are intended for the purpose of investment and not for operations; therefore, invested cash is included in investments. Furthermore, the Organization considers transfers into and from the investment portfolio to be cash transactions as additional investments and withdrawals from investments, respectively. Within the investments, net proceeds from the sale of investments were approximately \$64,229,000 in 2024 and \$23,488,000 in 2023, and purchases of investments were approximately \$60,070,000 in 2024 and \$20,663,000 in 2023.

Investments consist primarily of amounts that have been Board-designated or restricted by donors (see Note 11), which are reported as noncurrent assets, and undesignated amounts, which are reported as current assets as investments available for operations.

Vermont Public Co.

Notes to Financial Statements

Note 5. Investments (continued)

The Board designates a portion of the Organization's cumulative endowment investment return for the support of current operations. The remainder is retained to support operations of future years and offset potential market declines. The amount computed under the investment spending policy and the investment income earned by investing cash in excess of daily requirements are used to support current operations, as quantified hereafter for the years ended June 30, 2024 and 2023.

A summary of the Organization's investments according to the fair value hierarchy are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 545,063	\$ 1,102,795
Level 1:		
Equity securities	31,156,967	16,936,259
Exchange-traded funds - equities	8,558,251	13,789,408
Exchange-traded funds - fixed income	2,414,081	2,308,336
Exchange-traded funds - other	138,288	113,057
Money market funds	1,476,312	435,042
Mutual funds - equities	1,745,254	9,076,608
Mutual funds - fixed income	57,729	60,297
Total Level 1	<u>45,546,882</u>	<u>42,719,007</u>
Level 2:		
Corporate bonds	6,120,772	7,989,037
U.S. government securities	2,661,272	6,609,655
Asset-backed securities	5,705,624	1,263,894
Total Level 2	<u>14,487,668</u>	<u>15,862,586</u>
Total investments	<u>60,579,613</u>	<u>59,684,388</u>
Less amounts classified as current (Note 3)	<u>5,428,773</u>	<u>3,540,000</u>
Amounts classified as noncurrent	<u>\$ 55,150,840</u>	<u>\$ 56,144,388</u>

Vermont Public Co.

Notes to Financial Statements

Note 5. Investments (continued)

The following summarizes the total investment gain for the years ended June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 878,172	\$ 259,213	\$ 1,137,385
Net realized and unrealized gain on investments	4,474,709	1,205,534	5,680,243
Commissions and fees	(246,602)	(64,865)	(311,467)
Total return	5,106,279	1,399,882	6,506,161
Less allocation to support operations	5,076,068	463,932	5,540,000
Allocation to nonoperating income	\$ 30,211	\$ 935,950	\$ 966,161

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 994,638	\$ 290,840	\$ 1,285,478
Net realized and unrealized gain on investments	3,559,912	714,394	4,274,306
Commissions and fees	(193,905)	(61,767)	(255,672)
Total return	4,360,645	943,467	5,304,112
Less allocation to support operations	2,848,412	484,699	3,333,111
Allocation to nonoperating income	\$ 1,512,233	\$ 458,768	\$ 1,971,001

Vermont Public Co.

Notes to Financial Statements

Note 6. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Building and improvements	\$ 14,127,484	\$ 15,499,994
Production and transmission equipment	16,151,176	15,842,598
Other equipment, furniture and fixtures	2,264,093	2,359,009
Construction in process	13,205	102,318
	<u>32,555,958</u>	<u>33,803,919</u>
Less accumulated depreciation and amortization	18,209,359	17,254,824
	<u>\$ 14,346,599</u>	<u>\$ 16,549,095</u>

Note 7. Beneficial Interests in Trusts

The Organization has been named as a beneficiary in a variety of trusts, including two perpetual beneficial interests in trusts during 2024. The recorded value of these investments at the time the Organization was named a beneficiary was included as nonoperating contribution revenue. Certain of the trusts are remainder interests (perpetual), and others are lead interests (non-perpetual). As of June 30, 2024 and 2023, the estimated fair value of beneficial interests in non-perpetual trusts, which were determined to be Level 2 investments in the fair value hierarchy, was approximately \$1,102,000 and \$1,059,000, respectively. As of June 30, 2024 and 2023, the estimated fair value of beneficial interests in perpetual trusts, which were determined to be Level 3 investments in the fair value hierarchy, was approximately \$1,106,000 and \$394,000, respectively. During 2024 and 2023, no distributions were received from non-perpetual trusts.

Note 8. Operating Leases and Licensing Agreements

Lessee leases: The Organization has a noncancelable operating lease agreement for its operating facilities in Winooski, Vermont, which originally extended through June 2024, with two five-year renewal periods available, which the Organization planned to use. In May 2024, the Organization and the lessor amended the operating lease agreement to reduce both the lease term and square footage of space under lease, which was treated as a partial termination and lease modification. The amended lease term expires in June 2027 and has one three-year renewal period available to extend the lease term to June 2030, which the Organization plans to exercise. The modification resulted in the derecognition of approximately \$3,137,000 of right-of-use assets and \$3,444,000 of operating lease liability and a gain of approximately \$308,000.

Vermont Public Co.

Notes to Financial Statements

Note 8. Operating Leases and Licensing Agreements (continued)

The Organization leases land for mountaintop transmitters and the land upon which the studio and administrative facilities are located (ground lease) under various operating leases with varying expiration dates. The leases expire between 2030 and 2060 when including renewals the Organization is reasonably certain to exercise. The Organization is required to return the properties "to a natural state" in the event that the Organization terminates the leases. No amounts have been included in the financial statements for these costs due to the impracticality of estimation.

The Organization has additional operating leases that have been considered immaterial to recognize right-of-use assets and corresponding lease liabilities. Related lease expenses are included below.

Certain leases make the Organization responsible for variable expenses, such as property taxes, utilities and maintenance.

The components of lease costs are as follows for the years ended June 30:

	2024		2023
Operating lease costs	\$ 487,787	\$	541,254
Short-term and immaterial lease costs	342,046		334,387
Variable lease costs	98,716		104,162
	928,549		979,803
Less sublease income	892,768		911,233
	\$ 35,781	\$	68,570

Vermont Public Co.

Notes to Financial Statements

Note 8. Operating Leases and Licensing Agreements (continued)

As of June 30, 2024, future lease payments required for leases included in the measurement of lease liabilities are as follows:

Years ending June 30:		
2025	\$	200,078
2026		215,100
2027		221,501
2028		228,118
2029		234,963
Thereafter		1,998,309
Total lease payments		<u>3,098,069</u>
Less amount representing interest		864,066
Present value of lease payments		<u>2,234,003</u>
Less current maturities of operating lease liabilities		<u>123,043</u>
Total operating lease liabilities, less current maturities	\$	<u><u>2,110,960</u></u>

Additional lease disclosures are as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term (years)	18.7	14.6
Weighted-average discount rate	3.5%	3.0%

Lessor leases and licensing agreements: The Organization leases and licenses building and tower space on leased land and owned property, expiring on various dates ranging from 2025 to 2027. Certain agreements are cancelable by either party with notice periods between three months and one year. Some agreements allow for original terms of up to 15 years, with automatic renewal for up to an additional 15-year period. Some lease and license amounts are prepaid, and unearned portions are included in deferred revenue. Some agreements call for the return of prepaid amounts in the event that the Organization cancels the agreement, as specifically defined in the agreements.

As of June 30, the leased assets are included in property and equipment in the following amounts:

	<u>2024</u>	<u>2023</u>
Buildings and towers	\$ 2,580,670	\$ 2,574,734
Less accumulated depreciation	1,993,759	1,771,525
	<u>\$ 586,911</u>	<u>\$ 803,209</u>

Vermont Public Co.

Notes to Financial Statements

Note 8. Operating Leases and Licensing Agreements (continued)

License and lease revenue earned was approximately \$1,323,000 in 2024 and \$1,359,000 in 2023. As of June 30, 2024, noncancelable future minimum license and lease revenue is as follows:

Years ending June 30:		
2025	\$	259,877
2026		139,579
2027		119,734
		<hr/>
Total license and lease revenue	\$	519,190
		<hr/>

Note 9. Line of Credit

The Organization has a \$700,000 line of credit with Northfield Savings Bank that expires in June 2025. Interest is payable at *The Wall Street Journal* prime rate, with a minimum interest rate of 3.25%, and the note is secured by substantially all business assets. There was no outstanding balance at June 30, 2024 or 2023.

Note 10. Contingency

University of Vermont: During 1990, the University of Vermont, the former licensee of Vermont ETV, Inc., donated certain start-up property to Vermont ETV, Inc. in connection with its spin-off from the university. The property was included in the merger into the Organization. This property primarily included the various mountaintop transmitter sites located on Mount Mansfield, Mount Ascutney, Burke Mountain, Grandpa's Knob, Mount Pleasant, and the studio building in Colchester. As specified in this transfer agreement, in the event that the Organization dissolves or ceases to exist or operate as a nonprofit, noncommercial telecommunications or broadcasting facility, the ownership of all of the donated assets and all proceeds from sales thereof shall immediately revert to the University of Vermont, subject to all then-existing mortgages, liens, and encumbrances. In conjunction with the merger of Vermont ETV, Inc. into the Organization, the Organization is subject to the provisions of the transfer agreement.

Note 11. Net Assets

Endowments without donor restrictions - Board-designated: The Board has established several Board-designated funds for various purposes, the assets of which are available to satisfy the general obligations of the Organization but are for purposes designated by the Board. These Board-designated funds include four funds established for certain purposes by the donors and over which the donors granted the Board variance power, which grants the Board the discretion to utilize the net assets included in the funds for other purposes at its discretion.

Vermont Public Co.

Notes to Financial Statements

Note 11. Net Assets (continued)

Board-designated funds include the following:

- **Frank & Peggy Taplin Fund:** Established for the purpose of supporting productions for local cultural and natural programming.
- **Wyant Fund:** Established for the purpose of supporting cross-border programs that address issues within Vermont and Canada.
- **Board-Designated Fund:** Established to meet the needs of the Organization for purposes at the discretion of the Board.
- **Spectrum Fund:** Established to meet the needs of the Organization for purposes at the discretion of the Board.

Endowments with donor restrictions: The Organization has established the following two donor-restricted endowment funds.

- **Creating a Sound Future Fund:** Established for the purpose of supporting fiscal independence, new program initiatives and new technologies.
- **Phillips Classical Music Fund:** Established for the purpose of supporting the broadcast of classical music on the radio.

The Organization had the following endowment-fund-related activities during 2024 and 2023:

	Board- Designated Funds	Donor-Restricted		Total
		Creating a Sound Future Fund	Phillips Classical Music Fund	
Balance, June 30, 2022	\$ 46,911,658	\$ 9,045,802	\$ 1,696,432	\$ 57,653,892
Additions	-	-	-	-
Investment returns	4,544,382	851,494	153,740	5,549,616
Commissions and fees	(193,905)	(52,000)	(9,767)	(255,672)
Appropriations	(2,848,412)	(427,702)	(72,013)	(3,348,127)
Balance, June 30, 2023	48,413,723	9,417,594	1,768,392	59,599,709
Additions	-	-	-	-
Investment returns	5,345,694	1,229,799	234,948	6,810,441
Commissions and fees	(246,602)	(54,612)	(10,253)	(311,467)
Appropriations	(5,076,068)	(390,349)	(73,583)	(5,540,000)
Balance, June 30, 2024	\$ 48,436,747	\$ 10,202,432	\$ 1,919,504	\$ 60,558,683

Vermont Public Co.

Notes to Financial Statements

Note 11. Net Assets (continued)

With donor restrictions: Net assets with donor restrictions at June 30 consist of production grants restricted for use according to the terms of the agreements, beneficial interests in trusts, restricted endowment funds, amounts pledged and received under corporate underwriting agreements through June 30, 2023 restricted for use in the following fiscal years, and pledges receivable from individuals and grantors, as follows:

	<u>2024</u>	<u>2023</u>
Endowment funds:		
Amounts required to be maintained in perpetuity:		
Creating a Sound Future Fund	\$ 6,477,371	\$ 6,477,371
Phillips Classical Music Fund	1,003,542	1,003,542
	<u>7,480,913</u>	<u>7,480,913</u>
Accumulated investment earnings, subject to spending policy for the following purposes:		
Creating a Sound Future Fund	3,728,688	2,940,223
Phillips Classical Music Fund	912,335	764,850
	<u>4,641,023</u>	<u>3,705,073</u>
Total endowment funds with donor restrictions	<u>12,121,936</u>	<u>11,185,986</u>
Other restrictions:		
Restricted for the following purposes:		
Television underwriting agreements	-	247,991
Climate and environmental reporting	87,768	147,167
Other specified programs	86,979	238,730
	<u>174,747</u>	<u>633,888</u>
Restricted for use in the future:		
Beneficial interests in trusts - no restriction on use	1,106,359	393,814
Beneficial interests in trusts - Creating a Sound Future Fund	1,101,627	1,058,729
	<u>2,207,986</u>	<u>1,452,543</u>
	<u>\$ 14,504,669</u>	<u>\$ 13,272,417</u>

Note 12. Retirement Plans

The Organization sponsors a 401(k) defined contribution retirement plan for those employees who have reached age 21 and completed at least one month of service. The Organization contributed a safe harbor match of 100% of employee deferrals up to a maximum match of 5%. Total contributions to the plan were approximately \$421,000 in 2024 and \$404,000 in 2023.

Vermont Public Co.

Notes to Financial Statements

Note 12. Retirement Plans (continued)

The Organization sponsors an unfunded noncontributory defined supplemental benefit insurance plan that is subject to modification or elimination at the exclusive discretion of the Board and is not a vested benefit. The plan covers former Vermont ETV, Inc. employees who were qualified as of June 30, 1999, at which date the plan was frozen, and covers five retired employees and their spouses as of June 30, 2024 and 2023. The total liability of approximately \$199,000 and \$216,000 is included in accrued expenses, less current portion at June 30, 2024 and 2023, respectively.

Supplementary Information

Vermont Public Co.

**Supplemental Statement of Activities Schedule -
Activities by Division
Year Ended June 30, 2024**

	TV	Radio	Total
Revenues and reclassifications:			
Support revenues:			
Membership contributions	\$ 2,850,516	\$ 5,091,435	\$ 7,941,951
Program grants	1,348,324	791,627	2,139,951
Bequests	623,588	260,935	884,523
Television underwriting	280,854	-	280,854
Radio underwriting	-	3,073,284	3,073,284
Program service revenue:			
License and lease revenue	1,179,495	141,726	1,321,221
Investment return allocated to support operations	5,076,068	463,932	5,540,000
Other	24,224	65,953	90,177
Total revenues and reclassifications	11,383,069	9,888,892	21,271,961
Expenses:			
Program services:			
Content	1,843,622	3,442,720	5,286,342
Audience and community	2,382,864	3,556,691	5,939,555
Engineering	2,692,139	2,660,122	5,352,261
Total program services	6,918,625	9,659,533	16,578,158
Supporting expenses:			
Administration	1,297,884	1,882,674	3,180,558
Member services	423,725	551,955	975,680
Financial development	863,397	1,168,387	2,031,784
Total supporting expenses	2,585,006	3,603,016	6,188,022
Total expenses	9,503,631	13,262,549	22,766,180
Income (loss) from operations	1,879,438	(3,373,657)	(1,494,219)
Nonoperating income (loss):			
Investment return, net of amounts allocated to support operations	(273,144)	1,239,305	966,161
Loss on disposal of equipment	(36,379)	(26,343)	(62,722)
Gain on modification of operating lease	178,495	129,255	307,750
Contributions - beneficial interests in trusts	418,475	288,750	707,225
Change in beneficial interests in trusts	-	48,218	48,218
Total nonoperating income	287,447	1,679,185	1,966,632
Increase (decrease) in net assets	\$ 2,166,885	\$ (1,694,472)	\$ 472,413

Vermont Public Co.

**Supplemental Statement of Activities Schedule -
Activities by Division
Year Ended June 30, 2023**

	TV	Radio	Total
Revenues and reclassifications:			
Support revenues:			
Membership contributions	\$ 2,872,487	\$ 5,155,928	\$ 8,028,415
Program grants	1,202,792	604,430	1,807,222
Bequests	336,799	172,031	508,830
Television underwriting	610,928	-	610,928
Program service revenue:			
License and lease revenue	1,194,450	164,474	1,358,924
Radio underwriting	27,287	3,280,321	3,307,608
Investment return allocated to support operations	2,848,393	484,718	3,333,111
Other	13,016	70,010	83,026
Total revenues and reclassifications	9,106,152	9,931,912	19,038,064
Expenses:			
Program services:			
Content	1,670,231	3,107,004	4,777,235
Audience and community	2,024,160	3,129,660	5,153,820
Engineering	2,553,772	2,772,690	5,326,462
Total program services	6,248,163	9,009,354	15,257,517
Supporting expenses:			
Administration	1,195,898	1,714,591	2,910,489
Member services	442,344	566,265	1,008,609
Financial development	842,214	1,210,015	2,052,229
Total supporting expenses	2,480,456	3,490,871	5,971,327
Total expenses	8,728,619	12,500,225	21,228,844
Income (loss) from operations	377,533	(2,568,313)	(2,190,780)
Nonoperating income:			
Investment return, net of amounts allocated to support operations	1,326,131	644,870	1,971,001
Change in beneficial interests in trusts	-	8,646	8,646
Total nonoperating income	1,326,131	653,516	1,979,647
Increase (decrease) in net assets	\$ 1,703,664	\$ (1,914,797)	\$ (211,133)