

# **Greater Dayton Public Television, Inc.**

**Financial Statements with  
Supplemental Information  
June 30, 2017 and 2016 and  
Independent Auditors' Report**

**GREATER DAYTON PUBLIC TELEVISION, INC.**  
**June 30, 2017 and 2016**

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## **Independent Auditors' Report**

To the Board of Trustees  
Greater Dayton Public Television, Inc.  
Cincinnati, Ohio

We have audited the accompanying financial statements of Greater Dayton Public Television, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Dayton Public Television, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report  
(Continued)**

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of broadcasting and telecommunication expenses, fundraising expenses, and administrative expenses on pages 15 – 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Barnes, Dennig & Co., Ltd.*

December 18, 2017  
Cincinnati, Ohio

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statements of Financial Position  
June 30, 2017 and 2016**

	2017	2016
<b>Assets</b>		
Cash	\$ 28,283	\$ 106,859
Accounts receivable	182,059	164,172
Contributions receivable, net	88,614	85,533
Prepaid expense	99,495	65,064
Investments	1,405,946	1,235,336
Beneficial interest in perpetual trust	37,236	37,436
Prepaid rents	290,588	333,638
Property and equipment, net	2,567,299	2,642,517
Total assets	\$ 4,699,520	\$ 4,670,555
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 107,365	\$ 115,744
Accrued expenses	289,446	260,644
Due to related party	389,347	303,808
Deferred support and revenue	9,960	24,554
Capital lease obligation	1,734	10,059
Total liabilities	797,852	714,809
<b>Net Assets</b>		
Unrestricted	3,769,263	3,890,591
Temporarily restricted	95,169	27,719
Permanently restricted	37,236	37,436
Total net assets	3,901,668	3,955,746
Total liabilities and net assets	\$ 4,699,520	\$ 4,670,555

The accompanying notes are an integral part of these statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Activities  
Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and revenue</b>				
Support:				
Corporation for Public Broadcasting: Community Service Grant and Interconnect reimbursement	\$ 1,001,710	\$ -	\$ -	\$ 1,001,710
eTech Ohio:				
Operating subsidy	287,547	-	-	287,547
Educational subsidy	150,584	-	-	150,584
In-kind donations	770,675	-	-	770,675
Montgomery County	42,009	-	-	42,009
Total support	<u>2,252,525</u>	<u>-</u>	<u>-</u>	<u>2,252,525</u>
Revenue:				
Memberships and other contributions	1,567,796	67,450	-	1,635,246
Donated services	114,757	-	-	114,757
Acquired program sponsorship and underwriting	563,063	-	-	563,063
Auction and special events	190,383	-	-	190,383
Contract production services	226,575	-	-	226,575
Educational services	441,509	-	-	441,509
Rental income	484,987	-	-	484,987
Investment income (loss)	149,553	-	(200)	149,353
Promotion and miscellaneous	5,817	-	-	5,817
Total revenue	<u>3,744,440</u>	<u>67,450</u>	<u>(200)</u>	<u>3,811,690</u>
Net assets released from restrictions	-	-	-	-
Total support and revenue	<u>5,996,965</u>	<u>67,450</u>	<u>(200)</u>	<u>6,064,215</u>
<b>Expenses</b>				
Broadcasting and telecommunication service	4,289,229	-	-	4,289,229
Fundraising	969,057	-	-	969,057
Administrative	860,007	-	-	860,007
Total expenses	<u>6,118,293</u>	<u>-</u>	<u>-</u>	<u>6,118,293</u>
<b>Change in net assets</b>	<u>(121,328)</u>	<u>67,450</u>	<u>(200)</u>	<u>(54,078)</u>
<b>Net assets, beginning of year</b>	<u>3,890,591</u>	<u>27,719</u>	<u>37,436</u>	<u>3,955,746</u>
<b>Net assets, end of year</b>	<u>\$ 3,769,263</u>	<u>\$ 95,169</u>	<u>\$ 37,236</u>	<u>\$ 3,901,668</u>

The accompanying notes are an integral part of these statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Activities  
Year Ended June 30, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and revenue</b>				
Support:				
Corporation for Public Broadcasting:				
Community Service Grant and Interconnect reimbursement	\$ 1,004,415	\$ -	\$ -	\$ 1,004,415
eTech Ohio:				
Operating subsidy	287,547	-	-	287,547
Educational subsidy	150,584	-	-	150,584
In-kind donations	1,147,397	-	-	1,147,397
Montgomery County	41,998	-	-	41,998
Total support	<u>2,631,941</u>	<u>-</u>	<u>-</u>	<u>2,631,941</u>
Revenue:				
Memberships and other contributions	1,519,775	34,266	-	1,554,041
Donated services	222,903	-	-	222,903
Acquired program sponsorship and underwriting	264,112	-	-	264,112
Auction and special events	198,820	-	-	198,820
Contract production services	270,450	-	-	270,450
Educational services	378,792	-	-	378,792
Rental income	484,435	-	-	484,435
Investment income (loss)	(14,663)	-	(73)	(14,736)
Promotion and miscellaneous	27,395	-	-	27,395
Total revenue	<u>3,352,019</u>	<u>34,266</u>	<u>(73)</u>	<u>3,386,212</u>
Net assets released from restrictions	10,547	(10,547)	-	-
Total support and revenue	<u>5,994,507</u>	<u>23,719</u>	<u>(73)</u>	<u>6,018,153</u>
<b>Expenses</b>				
Broadcasting and telecommunication service	4,546,366	-	-	4,546,366
Fundraising	1,008,999	-	-	1,008,999
Administrative	940,724	-	-	940,724
Total expenses	<u>6,496,089</u>	<u>-</u>	<u>-</u>	<u>6,496,089</u>
<b>Change in net assets</b>	(501,582)	23,719	(73)	(477,936)
<b>Net assets, beginning of year</b>	<u>4,392,173</u>	<u>4,000</u>	<u>37,509</u>	<u>4,433,682</u>
<b>Net assets, end of year</b>	<u>\$ 3,890,591</u>	<u>\$ 27,719</u>	<u>\$ 37,436</u>	<u>\$ 3,955,746</u>

The accompanying notes are an integral part of these statements

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statements of Cash Flows  
Years Ended June 30, 2017 and 2016**

	2017	2016
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (54,078)	\$ (477,936)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	330,930	322,362
Net realized and unrealized (gain) loss on investments	(115,332)	59,345
(Gain) loss on beneficial interest in perpetual trust	200	73
Changes in:		
Accounts and contributions receivable	(20,968)	16,111
Prepaid expenses and rents	8,619	26,733
Accounts payable and accrued expenses	20,423	42,594
Due to related party	85,539	315,369
Deferred support and revenue	(14,594)	(123,628)
Net cash provided by operating activities	240,739	181,023
<b>Cash flows from investing activities</b>		
Purchase of equipment	(255,712)	(97,611)
Purchase of investments	(473,517)	(752,699)
Proceeds from sale of investments	418,239	739,760
Net cash used in investing activities	(310,990)	(110,550)
<b>Cash flows from financing activities</b>		
Proceeds from line of credit	487,892	332,311
Repayment on line of credit	(487,892)	(332,311)
Principal payments on capital lease obligation	(8,325)	(8,325)
Net cash used in financing activities	(8,325)	(8,325)
<b>Net change in cash</b>	(78,576)	62,148
<b>Cash, beginning of year</b>	106,859	44,711
<b>Cash, end of year</b>	\$ 28,283	\$ 106,859
<b>Supplemental information</b>		
Cash paid for interest	\$ 6,029	\$ 8,183

The accompanying notes are an integral part of these statements



# GREATER DAYTON PUBLIC TELEVISION, INC.

## Notes to Financial Statements

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Operations*

Greater Dayton Public Television, Inc. (the Organization) is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization owns and operates noncommercial broadcasting stations in the State of Ohio, specifically WPTD Channel 16 in Dayton, WPTO Channel 14 in Oxford and other telecommunications facilities. The Organization receives support primarily from the viewing public and private and government grants.

#### *Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting in accordance accounting principles generally accepted in the United States of America (GAAP). The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets which have no donor-imposed restriction; temporarily restricted net assets which have donor-imposed restrictions that will expire in the future; and permanently restricted net assets which have donor-imposed restrictions that will not expire.

#### *Fair Value Measurements*

Generally accepted accounting principles has established a three-level hierarchy for fair value measurements based on the transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

#### *Cash*

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

#### *Investments and Investment Return*

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

# GREATER DAYTON PUBLIC TELEVISION, INC.

## Notes to Financial Statements (Continued)

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

#### ***Accounts Receivable***

Accounts receivable represent uncollateralized obligations due from various organizations. Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by evaluating each individual organization's receivable and considering their current credit worthiness, past experience and current economic conditions. Accounts have been adjusted for all known and expected uncollectible amounts. Recoveries of amounts previously written off are recorded when received. At June 30, 2017 and 2016, the provision for uncollectible accounts was \$-0-.

#### ***Property and Equipment***

Building and equipment are recorded at cost or, in the case of donated assets, at their estimated fair value at date of receipt. Depreciation is computed by the straight-line method over the estimated useful lives of the respective assets. The Organization reviews its long-lived assets for impairment if changes in circumstances indicate that the carrying amount may not be recoverable. Management believes there has been no impairment in the carrying value of the Organization's long-lived assets.

In accordance with GAAP, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Organization believes no impairments existed at June 30, 2017 and 2016.

#### ***Broadcast Licenses***

The Organization has two broadcast license agreements with the Federal Communications Commission. The license agreements provide the Organization the right to broadcast televised programs in the Dayton and Oxford, Ohio, areas.

#### ***Contributions***

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

# GREATER DAYTON PUBLIC TELEVISION, INC.

## Notes to Financial Statements (Continued)

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

#### *Contributions (Continued)*

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. Contributions receivable as of June 30, 2017 and 2016 are expected to be collected within one year. At June 30, 2017 and 2016, the provision for uncollectible contributions receivable was \$69,000 and \$66,000, respectively.

#### *Community Service Grants*

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

The grants are reported on the accompanying financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financial reporting and licensee status with the Federal Communications Commission.

#### *Government Grants*

Support funded by state grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreement. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

#### *Donated Goods and Services*

The Organization records donated goods and services that meet the criteria for recognition as contributions at fair value on the date of donation. A substantial number of volunteers have made significant contributions of time to the Organization's policy-making, program and support functions. The value of this contributed time does not meet the criteria for recognition under existing accounting standards and, accordingly, is not reflected in the accompanying financial statements.

#### *Income Taxes*

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Ohio law. However, it is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Form 990 is subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

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

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Reclassifications***

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

***Subsequent Events***

The Organization has evaluated subsequent events through December 18, 2017, which is the date the financial statements were available to be issued.

**NOTE 2 INVESTMENTS AT FAIR VALUE**

Investments are summarized as follows:

	<u>2017</u>	<u>2016</u>
<b>Level 1</b>		
Equity mutual funds	\$ 635,033	\$ 644,243
Fixed income mutual funds	141,863	29,126
<b>Level 2</b>		
Funds held at Dayton Foundation	601,390	541,843
Money market funds	<u>27,660</u>	<u>20,124</u>
	<u>\$ 1,405,946</u>	<u>\$ 1,235,336</u>

***Equity and Fixed Income Mutual Funds***

Fair value of equity and fixed income mutual funds is estimated by reference to quoted market prices available in an active market. Equity and fixed income mutual funds are categorized as using Level 1 inputs.

***Funds Held at Dayton Foundation***

Fair value for funds held at the Dayton Foundation is estimated using allocation and pricing models based on the quoted prices of the underlying securities. Funds held at Dayton Foundation are categorized as using Level 2 inputs.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 INVESTMENTS AT FAIR VALUE (CONTINUED)**

***Money Market Funds***

Fair value for money market funds is estimated using the net asset value (“NAV”) of shares held at year-end. Money market funds are categorized as using Level 2 inputs.

Investment income (loss) is comprised of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 34,021	\$ 44,609
Net realized and unrealized gain (loss) on investments	<u>115,332</u>	<u>(59,345)</u>
	<u>\$ 149,353</u>	<u>\$ (14,736)</u>

**NOTE 3 BENEFICIAL INTEREST IN PERPETUAL TRUST AT FAIR VALUE**

The Organization is the beneficiary of a trust held and administered by an independent trustee. Under the terms of the trust, the Organization has an irrevocable right to receive a portion of the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The Organization’s beneficial interest in perpetual trust is recorded at fair value using Level 3 unobservable inputs.

The following table is a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at June 30:

Balance at June 30, 2015	\$ 37,509
Change in value	<u>(73)</u>
Balance at June 30, 2016	37,436
Change in value	<u>(200)</u>
Balance at June 30, 2017	<u>\$ 37,236</u>

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30 consisted of the following:

	<u>2017</u>	<u>2016</u>
Buildings and improvements	\$ 2,156,757	\$ 2,150,767
Land and improvements	145,222	120,130
Technical equipment	5,841,028	5,643,530
Tower, antenna, and transmitting equipment	5,886,907	5,885,604
Furniture, fixtures, and office equipment	498,886	477,013
Vehicles	69,495	69,495
Less accumulated depreciation	<u>(12,030,996)</u>	<u>(11,704,022)</u>
	<u>\$ 2,567,299</u>	<u>\$ 2,642,517</u>

Depreciation expense was \$330,930 and \$322,362 during the years ended June 30, 2017 and 2016, respectively.

The Organization has received funds through grants from agencies of the federal government for the purpose of acquiring property and equipment. The Federal Government has a ten-year interest in assets purchased with federal funds commencing at the date of the completion of a specific project. The following summarizes information related to the Organization's property and equipment subject to Federal Government interest as of June 30, 2017:

	<u>Cost</u>	<u>Federal Interest</u>	<u>Expiration of Federal Interest</u>
Transmitting equipment	\$ 282,601	\$ 140,753	9/30/2018
Technical equipment	235,749	106,747	6/30/2020
Technical equipment	<u>137,301</u>	<u>68,650</u>	3/31/2021
	<u>\$ 655,651</u>	<u>\$ 316,150</u>	

**NOTE 5 LINE OF CREDIT**

The Organization has a demand line of credit with Merrill Lynch, Bank of America Corporation. The maximum draw available on this credit facility is based on the value of the collateralized investments held at the bank which totaled \$712,974 and \$632,180 at June 30, 2017 and 2016, respectively. The maximum credit available on this facility totaled \$375,719 and \$362,310 at June 30, 2017 and 2016, respectively. Interest is charged on amounts borrowed against the line at the one-month LIBOR rate (1.22% and 0.47% at June 30, 2017 and 2016, respectively) plus 1.50%. There was no outstanding balance at June 30, 2017 and 2016.

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 6 CAPITAL LEASE OBLIGATION**

The Organization leased its telephone equipment under a capital lease which expired in September 2017 and at which time the Organization exercised its bargain purchase option. The assets and liabilities under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are amortized over the lower of the lease term or their estimated productive lives. Amortization of assets under the capital lease is included in depreciation expense for the years ended June 30, 2017 and 2016. The lease was for equipment with a total cost of \$42,071 with related accumulated depreciation of \$39,968 and \$33,655 at June 30, 2017 and 2016, respectively. The future minimum lease payments required under the capital lease are \$1,745 in 2018.

**NOTE 7 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes at June 30:

	2017	2016
Capital projects	\$ 27,719	\$ 27,719
Education and training	67,450	-
	<u>\$ 95,169</u>	<u>\$ 27,719</u>

**NOTE 8 PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets represents the Organization's beneficial interest in a perpetual trust. Permanently restricted net assets were \$37,236 and \$37,436 as of June 30, 2017 and 2016, respectively.

**NOTE 9 RETIREMENT PLANS**

***Defined Contribution Retirement Plan***

The Organization sponsors a defined contribution retirement plan under the provisions of Internal Revenue Code Section 403(b) covering substantially all employees. Contributions to the plan during the years ended June 30, 2017 and 2016 were \$41,120 and \$46,671, respectively.

**NOTE 10 RENTAL INCOME**

The Organization leases excess broadband capacity under a non-cancelable operating lease agreement that expires in 2033. Rental income under this lease was \$484,987 and \$484,435 for the years ended June 30, 2017 and 2016, respectively. Future annual minimum lease receipts at June 30, 2017 are as follows: 2018 - \$460,411; 2019 - \$468,828; 2020 - \$477,492; and 2021 - \$486,413.

## **GREATER DAYTON PUBLIC TELEVISION, INC.**

### **Notes to Financial Statements (Continued)**

#### **NOTE 11 OPERATING LEASES**

The Organization entered into a long-term operating lease with the City of Dayton in 1987 for administrative and operating facilities. Lease terms require minimum annual rental payments through June 2018. The Organization has the option of extending this lease for five successive five-year terms with annual rental payments increasing with each five-year renewal term. Minimum future payments on the non-cancellable operating lease are \$41,580 for 2018.

In 2003, the Organization, as lessee, entered into a twenty-year tower lease arrangement with Raycom National, Inc. requiring a one-time payment of \$861,000. The expense associated with this lease is being recognized on a straight-line basis over the twenty-year term of the lease. Prepaid tower rent was \$290,588 and \$333,638 at June 30, 2017 and 2016, respectively. The Organization has the option to renew this lease for two successive ten-year terms, provided 90 days' prior notice is given to the lessor.

Total rent expense was \$144,350 and \$148,907 during the years ended June 30, 2017 and 2016, respectively.

#### **NOTE 12 RELATED PARTY TRANSACTIONS**

The Organization has an employee sharing arrangement with Greater Cincinnati Television Educational Foundation (CET) which provides for the allocation of salaries and benefits between the Organization and CET. For the years ended June 30, 2017 and 2016, \$389,347 and \$303,808, respectively, was the net amount paid by CET for salaries and benefits on behalf of the Organization. The net amount due to CET as of June 30, 2017 and 2016 were \$389,347 and \$303,808 respectively, and is included in accounts payable on the statement of financial position. The allocation of costs is based upon management's estimate of resources used.

Additionally, the Organization will occasionally receive funds from Public Media Connect (PMC) to cover certain operating expenses. During 2017 and 2016, PMC transferred \$121,000 and \$17,859 to the Organization, respectively. These amounts are included in memberships and other contributions on the statement of activities. No amounts were due to the Organization from PMC as of June 30, 2017 and 2016.

#### **NOTE 13 SIGNIFICANT CONCENTRATIONS**

The Corporation for Public Broadcasting (CPB) is a major source of funding for the Organization. The Organization received \$1,001,710 and \$1,004,415 from CPB, representing approximately 16% and 17% of total revenue and support for 2017 and 2016, respectively



## **SUPPLEMENTAL INFORMATION**

**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Broadcasting and  
Telecommunication Service Expenses  
Year Ended June 30, 2017**

	Technical	Programming	Education Services	Production	Promotions	Total
Salaries	\$ 341,339	\$ 190,954	\$ 166,339	\$ 476,434	\$ 107,047	\$ 1,282,113
In-kind services	770,675	-	-	-	-	770,675
Program acquisitions	-	769,747	-	-	-	769,747
Depreciation	251,019	-	-	24,621	-	275,640
Benefits	61,361	24,392	42,237	96,200	30,109	254,299
Educational fees	-	130	208,645	-	-	208,775
Utilities	138,246	-	-	1,758	-	140,004
Repair and maintenance	107,023	699	-	13,711	-	121,433
Memberships	216	101,715	215	2,604	145	104,895
Production fees	-	-	8,996	70,802	-	79,798
Professional fees	-	57,228	2,200	5,873	1,167	66,468
Rent	55,414	-	4,622	5,806	-	65,842
Travel and training	4,593	3,568	13,089	15,706	3,803	40,759
Supplies	558	254	19,623	16,181	1,220	37,836
Printing	-	-	178	-	24,763	24,941
Advertising	-	-	-	-	15,589	15,589
Postage and shipping	1,515	824	243	106	12,858	15,546
Outside Labor	-	-	-	7,027	-	7,027
Receptions	-	-	1,868	2,019	180	4,067
Consulting fees	-	-	328	-	2,771	3,099
Board expense	-	91	181	308	35	615
Miscellaneous	61	-	-	-	-	61
	<u>\$ 1,732,020</u>	<u>\$ 1,149,602</u>	<u>\$ 468,764</u>	<u>\$ 739,156</u>	<u>\$ 199,687</u>	<u>\$ 4,289,229</u>

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**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Broadcasting and  
Telecommunication Service Expenses  
Year Ended June 30, 2016**

	<u>Technical</u>	<u>Programming</u>	<u>Education Services</u>	<u>Production</u>	<u>Promotions</u>	<u>Total</u>
Salaries	\$ 288,645	\$ 198,011	\$ 152,062	\$ 439,868	\$ 108,193	\$ 1,186,779
In-kind services	1,147,397	-	-	-	-	1,147,397
Program acquisitions	-	773,938	2,820	-	-	776,758
Depreciation	255,789	5,048	1,657	15,837	374	278,705
Benefits	54,342	25,657	38,551	95,464	29,779	243,793
Educational fees	-	-	172,847	-	-	172,847
Utilities	149,402	-	216	1,831	-	151,449
Repair and maintenance	106,823	-	20	169	-	107,012
Memberships	164	107,595	1,570	2,255	546	112,130
Production fees	-	-	8,961	62,414	115	71,490
Professional fees	-	71,718	8,000	12,578	-	92,296
Rent	55,890	-	4,509	3,800	-	64,199
Travel and training	4,707	6,934	15,203	13,009	3,288	43,141
Supplies	1,544	189	14,266	15,444	660	32,103
Printing	-	-	10	-	21,459	21,469
Advertising	-	-	-	-	19,258	19,258
Postage and shipping	619	730	709	331	11,144	13,533
Outside Labor	-	-	-	3,410	-	3,410
Receptions	-	35	2,265	1,731	192	4,223
Consulting fees	-	-	50	231	4,262	4,543
Miscellaneous	-	-	-	(169)	-	(169)
	<u>\$ 2,065,322</u>	<u>\$ 1,189,855</u>	<u>\$ 423,716</u>	<u>\$ 668,203</u>	<u>\$ 199,270</u>	<u>\$ 4,546,366</u>

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**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Fundraising Expenses  
Year Ended June 30, 2017**

	<u>Marketing</u>	<u>Member Services</u>	<u>Auctions and Special Events</u>	<u>Total</u>
Salaries	\$ 76,433	\$ 71,176	\$ 178,355	\$ 325,964
Commissions	162,000	28,094	9,362	199,456
In-kind services	114,757	-	-	114,757
Promotional incentives	14	97,968	591	98,573
Direct mail fees	-	90,066	-	90,066
Benefits	16,310	15,455	27,991	59,756
Postage and shipping	20	41,662	1,507	43,189
Supplies	2,754	1,257	5,570	9,581
Receptions	174	4,273	2,384	6,831
Printing services	-	3,443	29	3,472
Repair and maintenance	-	-	3,427	3,427
Bad debt	3,074	-	-	3,074
Travel and training	1,593	480	426	2,499
Production fees	1,843	-	-	1,843
Purchased items	-	660	949	1,609
Consulting fees	-	988	-	988
Board of Trustee/Staff	-	386	595	981
Advertising	-	206	719	925
Utilities	-	300	611	911
Professional fees	300	120	125	545
Memberships	-	210	80	290
Program acquisitions	-	220	-	220
Education fees	-	100	-	100
	<u>\$ 379,272</u>	<u>\$ 357,064</u>	<u>\$ 232,721</u>	<u>\$ 969,057</u>

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**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statement of Fundraising Expenses  
Year Ended June 30, 2016**

	<u>Marketing</u>	<u>Member Services</u>	<u>Auctions and Special Events</u>	<u>Total</u>
Salaries	\$ 70,511	\$ 72,575	\$ 155,633	\$ 298,719
Commissions	81,000	36,976	8,364	126,340
In-kind services	206,218	-	16,685	222,903
Promotional incentives	-	120,314	911	121,225
Direct mail fees	-	86,852	-	86,852
Benefits	15,054	16,940	22,595	54,589
Postage and shipping	123	54,404	1,959	56,486
Supplies	533	2,555	7,408	10,496
Receptions	239	5,394	3,379	9,012
Printing services	317	4,868	273	5,458
Repair and maintenance	-	-	1,583	1,583
Travel and training	3,268	929	1,412	5,609
Production fees	2,722	-	-	2,722
Purchased items	-	-	1,046	1,046
Consulting fees	-	561	-	561
Board of Trustee/Staff	-	168	711	879
Advertising	2,616	-	373	2,989
Utilities	-	137	750	887
Memberships	-	443	-	443
Outside labor	-	-	200	200
	<u>\$ 382,601</u>	<u>\$ 403,116</u>	<u>\$ 223,282</u>	<u>\$ 1,008,999</u>

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**GREATER DAYTON PUBLIC TELEVISION, INC.**

**Statements of Administrative Expenses  
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Salaries	\$ 276,566	\$ 336,296
Utilities	116,947	112,161
Office equipment rent	78,508	84,707
Repair and maintenance	64,874	71,224
Professional fees	63,916	82,131
Depreciation	55,290	43,657
Insurance	51,441	53,415
Benefits	44,209	51,030
Bank fees	36,231	37,435
Memberships	25,005	21,029
Supplies	12,403	13,541
Travel and training	12,013	8,295
Outside Labor	7,431	-
Interest expense	6,029	8,183
Board of Trustees	5,760	10,787
Postage and shipping	2,142	2,986
Receptions	685	1,487
Printing services	414	964
Miscellaneous	143	331
Recruitment	-	1,065
	<u>\$ 860,007</u>	<u>\$ 940,724</u>

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