

Greater Dayton Public Television, Inc.

**Financial Statements with
Supplemental Information
June 30, 2018 and 2017 and
Independent Auditors' Report**

GREATER DAYTON PUBLIC TELEVISION, INC.
June 30, 2018 and 2017

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Independent Auditors' Report

To the Board of Trustees
Greater Dayton Public Television, Inc.
Dayton, 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, 2018 and 2017, 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, 2018 and 2017, 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 service 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 19, 2018
Cincinnati, Ohio

GREATER DAYTON PUBLIC TELEVISION, INC.

**Statements of Financial Position
June 30, 2018 and 2017**

	2018	2017
Assets		
Cash	\$ 28,686	\$ 28,283
Accounts receivable, net	164,090	182,059
Contributions receivable, net	156,898	88,614
Prepaid expense	91,327	99,495
Investments	1,510,077	1,405,946
Beneficial interest in perpetual trust	37,629	37,236
Prepaid rents	247,538	290,588
Property and equipment, net	2,442,066	2,567,299
Total assets	\$ 4,678,311	\$ 4,699,520
Liabilities and Net Assets		
Liabilities		
Accounts payable	74,293	107,365
Accrued expenses	316,560	289,446
Due to related parties	680,053	389,347
Deferred support and revenue	141,637	9,960
Capital lease obligation	-	1,734
Total liabilities	1,212,543	797,852
Net Assets		
Unrestricted	3,339,755	3,769,263
Temporarily restricted	88,384	95,169
Permanently restricted	37,629	37,236
Total net assets	3,465,768	3,901,668
Total liabilities and net assets	\$ 4,678,311	\$ 4,699,520

The accompanying notes are an integral part of these statements

GREATER DAYTON PUBLIC TELEVISION, INC.

**Statement of Activities
Year Ended June 30, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Support:				
Corporation for Public Broadcasting: Community Service Grant and Interconnect reimbursement	\$ 1,057,592	\$ -	\$ -	\$ 1,057,592
eTech Ohio:				
Operating subsidy	295,156	-	-	295,156
Educational subsidy	260,784	-	-	260,784
In-kind donations	770,675	-	-	770,675
Montgomery County	42,009	-	-	42,009
Total support	<u>2,426,216</u>	<u>-</u>	<u>-</u>	<u>2,426,216</u>
Revenue:				
Memberships and other contributions	1,668,724	-	-	1,668,724
Donated services	67,518	-	-	67,518
Acquired program sponsorship and underwriting	339,018	-	-	339,018
Auction and special events	201,098	-	-	201,098
Contract production services	250,315	-	-	250,315
Educational services	281,995	-	-	281,995
Rental income	495,714	-	-	495,714
Investment income	122,871	-	-	122,871
Promotion and miscellaneous	2,849	60,665	393	63,907
Total revenue	<u>3,430,102</u>	<u>60,665</u>	<u>393</u>	<u>3,491,160</u>
Net assets released from restrictions	67,450	(67,450)	-	-
Total support and revenue	<u>5,923,768</u>	<u>(6,785)</u>	<u>393</u>	<u>5,917,376</u>
Expenses				
Broadcasting and telecommunication service	4,558,613	-	-	4,558,613
Fundraising	857,192	-	-	857,192
Administrative	937,471	-	-	937,471
Total expenses	<u>6,353,276</u>	<u>-</u>	<u>-</u>	<u>6,353,276</u>
Change in net assets	<u>(429,508)</u>	<u>(6,785)</u>	<u>393</u>	<u>(435,900)</u>
Net assets, beginning of year	<u>3,769,263</u>	<u>95,169</u>	<u>37,236</u>	<u>3,901,668</u>
Net assets, end of year	<u>\$ 3,339,755</u>	<u>\$ 88,384</u>	<u>\$ 37,629</u>	<u>\$ 3,465,768</u>

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
Support and revenue				
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	1,570,796	67,450	-	1,638,246
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>3,747,440</u>	<u>67,450</u>	<u>(200)</u>	<u>3,814,690</u>
Net assets released from restrictions	-	-	-	-
Total support and revenue	<u>5,999,965</u>	<u>67,450</u>	<u>(200)</u>	<u>6,067,215</u>
Expenses				
Broadcasting and telecommunication service	4,299,702	-	-	4,299,702
Fundraising	972,057	-	-	972,057
Administrative	849,534	-	-	849,534
Total expenses	<u>6,121,293</u>	<u>-</u>	<u>-</u>	<u>6,121,293</u>
Change in net assets	(121,328)	67,450	(200)	(54,078)
Net assets, beginning of year	<u>3,890,591</u>	<u>27,719</u>	<u>37,436</u>	<u>3,955,746</u>
Net assets, end of year	<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.

**Statements of Cash Flows
Years Ended June 30, 2018 and 2017**

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ (435,900)	\$ (54,078)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	298,027	330,930
Net realized and unrealized gains on investments	(84,202)	(115,332)
(Gain) loss on beneficial interest in perpetual trust	(393)	200
Changes in:		
Accounts and contributions receivable	(50,315)	(20,968)
Prepaid expenses and rents	51,218	8,619
Accounts payable and accrued expenses	(5,958)	20,423
Due to related parties	290,706	85,539
Deferred support and revenue	131,677	(14,594)
Net cash provided by operating activities	194,860	240,739
Cash flows from investing activities		
Purchase of equipment	(172,794)	(255,712)
Purchase of investments	(228,368)	(473,517)
Proceeds from sale of investments	208,439	418,239
Net cash used in investing activities	(192,723)	(310,990)
Cash flows from financing activities		
Proceeds from line of credit	367,849	487,892
Repayment on line of credit	(367,849)	(487,892)
Principal payments on capital lease obligation	(1,734)	(8,325)
Net cash used in financing activities	(1,734)	(8,325)
Net change in cash	403	(78,576)
Cash, beginning of year	28,283	106,859
Cash, end of year	\$ 28,686	\$ 28,283
Supplemental information		
Cash paid for interest	\$ 7,940	\$ 6,029

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. There was no provision for uncollectible accounts at June 30, 2018 and 2017.

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, 2018 and 2017.

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, 2018 and 2017 are expected to be collected within one year. At June 30, 2018 and 2017, the provision for uncollectible contributions receivable was \$27,810 and \$69,000, 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 2017 figures have been reclassified to conform to the 2018 presentation.

Subsequent Events

The Organization has evaluated subsequent events through December 19, 2018, which is the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS AT FAIR VALUE

Investments are summarized as follows:

	<u>2018</u>	<u>2017</u>
Level 1		
Equity mutual funds	\$ 644,777	\$ 635,033
Fixed income mutual funds	174,478	141,863
Level 2		
Funds held at Dayton Foundation	662,011	601,390
Money market funds	<u>28,811</u>	<u>27,660</u>
	<u>\$ 1,510,077</u>	<u>\$ 1,405,946</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 is comprised of the following:

	2018	2017
Interest and dividends	\$ 38,669	\$ 34,021
Net realized and unrealized gains on investments	84,202	115,332
	\$ 122,871	\$ 149,353

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, 2016	\$ 37,436
Change in value	(200)
Balance at June 30, 2017	37,236
Change in value	393
Balance at June 30, 2018	\$ 37,629

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:

	2018	2017
Tower, antenna, and transmitting equipment	\$ 5,885,604	\$ 5,885,604
Technical equipment	5,505,530	5,841,028
Buildings and improvements	2,156,757	2,156,757
Furniture, fixtures, and office equipment	528,282	498,886
Land and improvements	145,222	145,222
Vehicles	73,643	69,495
Construction in progress	87,317	1,303
Less accumulated depreciation	(11,940,289)	(12,030,996)
	\$ 2,442,066	\$ 2,567,299

Depreciation expense was \$298,027 and \$330,930 during the years ended June 30, 2018 and 2017, 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, 2018:

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

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 \$731,927 and \$712,974 at June 30, 2018 and 2017, respectively. The maximum credit available on this facility totaled \$408,562 and \$375,719 at June 30, 2018 and 2017, respectively. Interest is charged on amounts borrowed against the line at the one-month LIBOR rate (1.50% and 1.22% at June 30, 2018 and 2017, respectively) plus 1.50%. There was no outstanding balance at June 30, 2018 and 2017.

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, 2018 and 2017. The lease was for equipment with a total cost of \$42,071 with related accumulated depreciation of \$42,071 and \$39,968 at June 30, 2018 and 2017, respectively.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2018</u>	<u>2017</u>
Capital projects	\$ 88,384	\$ 27,719
Education and training	-	67,450
	<u>\$ 88,384</u>	<u>\$ 95,169</u>

NOTE 8 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent the Organization's beneficial interest in a perpetual trust. Permanently restricted net assets were \$37,629 and \$37,236 as of June 30, 2018 and 2017, 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, 2018 and 2017 were \$46,832 and \$41,120, 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 \$495,714 and \$484,987 for the years ended June 30, 2018 and 2017, respectively. Future annual minimum lease receipts at June 30, 2018 are as follows: 2019 - \$468,828; 2020 - \$477,492; 2021 - \$486,413; and 2022 - \$505,074.

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 2023. 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 2019; \$41,580 for 2020; \$41,580 for 2021; \$48,510 for 2022; and \$50,820 for 2023.

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 \$247,538 and \$290,588 at June 30, 2018 and 2017, 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 \$156,849 and \$144,350 during the years ended June 30, 2018 and 2017, respectively.

NOTE 12 RELATED PARTY TRANSACTIONS

Public Media Connect (PMC) is the sole member of the Organization, Greater Cincinnati Television Educational Foundation (CET) and Southwestern Ohio Instructional Technology Association (SOITA).

The Organization has an employee sharing arrangement with CET which provides for the allocation of salaries and benefits between the Organization and CET. For the years ended June 30, 2018 and 2017, \$287,016 and \$389,347, 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, 2018 and 2017 were \$676,363 and \$389,347 respectively, and is included in due to related parties 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 PMC to cover certain operating expenses. During 2018 and 2017, PMC transferred \$156,810 and \$121,000 to the Organization, respectively. These amounts are included in memberships and other contributions on the statement of activities. No amounts were due to PMC as of June 30, 2018 and 2017.

Additionally, Southwestern Ohio Instructional Technology Association (SOITA), an affiliate of PMC, will occasionally make payments on behalf of the Organization. The net amount due to SOITA as of June 30, 2018 and 2017 was \$3,690 and \$-0-, respectively.

NOTE 13 SIGNIFICANT CONCENTRATIONS

The Corporation for Public Broadcasting (CPB) is a major source of funding for the Organization. The Organization received \$1,057,592 and \$1,001,710 from CPB, representing approximately 18% and 16% of total revenue and support for 2018 and 2017, respectively.

SUPPLEMENTAL INFORMATION

GREATER DAYTON PUBLIC TELEVISION, INC.

**Statement of Broadcasting and
Telecommunication Service Expenses
Year Ended June 30, 2018**

	<u>Technical</u>	<u>Programming</u>	<u>Education Services</u>	<u>Production</u>	<u>Promotions</u>	<u>Total</u>
Salaries	\$ 283,074	\$ 198,945	\$ 165,632	\$ 553,437	\$ 115,109	\$ 1,316,197
Program acquisitions	-	870,975	-	-	-	870,975
In-kind	770,193	-	-	-	-	770,193
Educational fees	-	-	274,777	-	-	274,777
Benefits	51,091	25,614	48,087	112,187	32,954	269,933
Depreciation	236,480	4,667	1,532	14,641	346	257,666
Utilities	153,306	-	-	6,288	-	159,594
Repairs and maintenance	134,163	-	674	17,717	-	152,554
Memberships	269	100,507	260	2,410	661	104,107
Production fees	-	-	14,302	73,697	-	87,999
Professional fees	50	72,352	490	3,603	-	76,495
Rent	55,589	-	4,020	5,460	-	65,069
Supplies	858	202	29,176	10,327	568	41,131
Travel and training	3,672	2,874	10,683	13,224	3,173	33,626
Printing	-	-	22	18	22,637	22,677
Advertising	-	-	120	-	21,080	21,200
Postage and shipping	636	548	449	159	19,110	20,902
Miscellaneous	50	63	2,513	5,581	5,311	13,518
	<u>\$ 1,689,431</u>	<u>\$ 1,276,747</u>	<u>\$ 552,737</u>	<u>\$ 818,749</u>	<u>\$ 220,949</u>	<u>\$ 4,558,613</u>

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GREATER DAYTON PUBLIC TELEVISION, INC.

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

	<u>Technical</u>	<u>Programming</u>	<u>Education Services</u>	<u>Production</u>	<u>Promotions</u>	<u>Total</u>
Salaries	\$ 341,339	\$ 190,954	\$ 166,339	\$ 483,461	\$ 107,047	\$ 1,289,140
In-kind	770,675	-	-	-	-	770,675
Program acquisitions	-	769,747	-	-	-	769,747
Depreciation	262,588	5,183	1,701	16,258	383	286,113
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
Repairs 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	61	57,228	2,200	5,873	1,167	66,529
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
Miscellaneous	-	91	2,377	2,327	2,986	7,781
	<u>\$ 1,743,589</u>	<u>\$ 1,154,785</u>	<u>\$ 470,465</u>	<u>\$ 730,793</u>	<u>\$ 200,070</u>	<u>\$ 4,299,702</u>

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GREATER DAYTON PUBLIC TELEVISION, INC.

**Statement of Fundraising Expenses
Year Ended June 30, 2018**

	<u>Marketing</u>	<u>Member Services</u>	<u>Auctions and Special Events</u>	<u>Total</u>
Salaries	\$ 79,627	\$ 76,120	\$ 193,676	\$ 349,423
Postage and shipping	1	137,859	2,329	140,189
Commissions	86,000	32,460	5,716	124,176
Promotional incentives	-	83,288	507	83,795
In-kind	68,000	-	-	68,000
Benefits	17,240	21,194	24,495	62,929
Receptions	1,274	4,146	9,618	15,038
Rent	-	-	14,444	14,444
Supplies	453	1,434	8,661	10,548
Miscellaneous	6,845	(30,231)	12,036	(11,350)
	<u>\$ 259,440</u>	<u>\$ 326,270</u>	<u>\$ 271,482</u>	<u>\$ 857,192</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
Postage and shipping	20	131,728	1,507	133,255
In-kind	114,757	-	-	114,757
Promotional incentives	14	97,968	591	98,573
Benefits	16,310	15,455	27,991	59,756
Miscellaneous	9,738	15,643	14,915	40,296
	<u>\$ 379,272</u>	<u>\$ 360,064</u>	<u>\$ 232,721</u>	<u>\$ 972,057</u>

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GREATER DAYTON PUBLIC TELEVISION, INC.

**Statements of Administrative Expenses
Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Salaries	\$ 347,406	\$ 283,997
Professional fees	97,106	100,147
Utilities	96,233	116,947
Rent	77,336	78,508
Benefits	73,438	44,209
Repairs and maintenance	72,189	64,874
Insurance	56,600	51,441
Depreciation	40,361	44,817
Memberships	31,543	25,005
Commissions	12,186	5,760
Supplies	9,187	12,403
Travel and training	6,832	12,013
Miscellaneous	17,054	9,413
	<u>\$ 937,471</u>	<u>\$ 849,534</u>

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