

# **Public Television 19, Inc.**

Financial Report  
June 30, 2021

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RSM US LLP

## Independent Auditor's Report

Board of Directors  
Public Television 19, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Public Television 19, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities, functional expenses, 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 audits. 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 of 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 Public Television 19, Inc. as of June 30, 2021 and 2020, 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.

**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 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.

*RSM US LLP*

Kansas City, Missouri  
September 15, 2021

**Public Television 19, Inc.**

**Statements of Financial Position  
June 30, 2021 and 2020**

|                                                                                     | <b>2021</b>                 | <b>2020</b>                 |
|-------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                                                                       |                             |                             |
| Cash and cash equivalents                                                           | <b>\$ 6,416,050</b>         | \$ 4,641,146                |
| Receivables:                                                                        |                             |                             |
| Accounts, net of allowance for doubtful accounts of \$15,000<br>in 2021 and 2020    | <b>126,419</b>              | 139,365                     |
| Pledges, net of discount of \$36,408 and \$59,686 in 2021 and 2020,<br>respectively | <b>1,184,476</b>            | 1,651,339                   |
| Prepaid expenses                                                                    | <b>182,552</b>              | 249,394                     |
| Investments                                                                         | <b>5,217,963</b>            | 3,997,294                   |
| Deferred lease asset                                                                | <b>1,199,399</b>            | 1,132,085                   |
| Property and equipment, net                                                         | <b>3,831,468</b>            | 3,939,085                   |
|                                                                                     | <b><u>\$ 18,158,327</u></b> | <b><u>\$ 15,749,708</u></b> |
| <b>Liabilities and Net Assets</b>                                                   |                             |                             |
| Liabilities:                                                                        |                             |                             |
| Accounts payable                                                                    | <b>\$ 188,403</b>           | \$ 287,457                  |
| Accrued expenses                                                                    | <b>615,757</b>              | 450,643                     |
| Deferred revenue                                                                    | <b>752,428</b>              | 858,480                     |
| Long-term debt                                                                      | <b>918,725</b>              | 1,981,704                   |
|                                                                                     | <b><u>2,475,313</u></b>     | <b><u>3,578,284</u></b>     |
| Net assets:                                                                         |                             |                             |
| Without donor restrictions (undesignated)                                           | <b>7,442,262</b>            | 5,355,831                   |
| Without donor restrictions (board-designated)                                       | <b>5,217,963</b>            | 3,997,294                   |
| With donor restrictions                                                             | <b>3,022,789</b>            | 2,818,299                   |
|                                                                                     | <b><u>15,683,014</u></b>    | <b><u>12,171,424</u></b>    |
|                                                                                     | <b><u>\$ 18,158,327</u></b> | <b><u>\$ 15,749,708</u></b> |

See notes to financial statements.

**Public Television 19, Inc.**

**Statement of Activities  
Year Ended June 30, 2021**

|                                                                   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|-------------------------------------------------------------------|-------------------------------|----------------------------|----------------------|
| <b>Revenues, gains and other support:</b>                         |                               |                            |                      |
| Membership income                                                 | \$ 5,053,597                  | \$ -                       | \$ 5,053,597         |
| Grants                                                            | 2,370,054                     | -                          | 2,370,054            |
| Contributions, bequests and capital grants                        | 1,634,365                     | -                          | 1,634,365            |
| Contributions, capital campaign                                   | 158,414                       | 580,865                    | 739,279              |
| In-kind contributions                                             | 900                           | -                          | 900                  |
| Program and production underwriting                               | 914,833                       | -                          | 914,833              |
| Educational services                                              | 92,235                        | -                          | 92,235               |
| Rental income                                                     | 1,092,818                     | -                          | 1,092,818            |
| Broadcast royalties                                               | 77,902                        | -                          | 77,902               |
| Miscellaneous                                                     | 206,222                       | -                          | 206,222              |
| Investment income                                                 | 1,036,812                     | -                          | 1,036,812            |
| Paycheck Protection Program loan forgiveness                      | 934,047                       | -                          | 934,047              |
| Net assets released from restrictions                             | 376,375                       | (376,375)                  | -                    |
| <b>Total revenues, gains and other support</b>                    | <b>13,948,574</b>             | <b>204,490</b>             | <b>14,153,064</b>    |
| <b>Expenses:</b>                                                  |                               |                            |                      |
| Program services                                                  | 6,959,365                     | -                          | 6,959,365            |
| Fundraising                                                       | 2,257,657                     | -                          | 2,257,657            |
| Management and general                                            | 1,424,452                     | -                          | 1,424,452            |
| <b>Total expenses (including total depreciation of \$588,439)</b> | <b>10,641,474</b>             | <b>-</b>                   | <b>10,641,474</b>    |
| <b>Change in net assets</b>                                       | <b>3,307,100</b>              | <b>204,490</b>             | <b>3,511,590</b>     |
| <b>Net assets:</b>                                                |                               |                            |                      |
| Beginning                                                         | 9,353,125                     | 2,818,299                  | 12,171,424           |
| Ending                                                            | <b>\$ 12,660,225</b>          | <b>\$ 3,022,789</b>        | <b>\$ 15,683,014</b> |

See notes to financial statements.

**Public Television 19, Inc.**

**Statement of Activities  
Year Ended June 30, 2020**

|                                                                   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
|-------------------------------------------------------------------|-------------------------------|----------------------------|-------------------|
| <b>Revenues, gains and other support:</b>                         |                               |                            |                   |
| Membership income                                                 | \$ 4,595,808                  | \$ -                       | \$ 4,595,808      |
| Grants                                                            | 1,832,969                     | -                          | 1,832,969         |
| Contributions, bequests and capital grants                        | 2,170,395                     | -                          | 2,170,395         |
| Contributions, capital campaign                                   | 1,527,953                     | 629,190                    | 2,157,143         |
| In-kind contributions                                             | 74,698                        | -                          | 74,698            |
| Program and production underwriting                               | 964,362                       | -                          | 964,362           |
| Educational services                                              | 133,164                       | -                          | 133,164           |
| Rental income                                                     | 1,088,978                     | -                          | 1,088,978         |
| Broadcast royalties                                               | 2,258                         | -                          | 2,258             |
| Miscellaneous                                                     | 1,654                         | -                          | 1,654             |
| Investment income                                                 | 160,020                       | -                          | 160,020           |
| Net assets released from restrictions                             | 1,512,193                     | (1,512,193)                | -                 |
| <b>Total revenues, gains and other support</b>                    | <b>14,064,452</b>             | <b>(883,003)</b>           | <b>13,181,449</b> |
| <b>Expenses:</b>                                                  |                               |                            |                   |
| Program services                                                  | 7,475,185                     | -                          | 7,475,185         |
| Fundraising                                                       | 2,251,562                     | -                          | 2,251,562         |
| Management and general                                            | 1,403,810                     | -                          | 1,403,810         |
| <b>Total expenses (including total depreciation of \$805,276)</b> | <b>11,130,557</b>             | <b>-</b>                   | <b>11,130,557</b> |
| <b>Change in net assets</b>                                       | <b>2,933,895</b>              | <b>(883,003)</b>           | <b>2,050,892</b>  |
| <b>Net assets:</b>                                                |                               |                            |                   |
| Beginning                                                         | 6,419,230                     | 3,701,302                  | 10,120,532        |
| Ending                                                            | \$ 9,353,125                  | \$ 2,818,299               | \$ 12,171,424     |

See notes to financial statements.

**Public Television 19, Inc.**

**Statement of Functional Expenses  
Year Ended June 30, 2021**

|                                               | Program<br>Services<br>Expense | Fundraising<br>Expense | Management and<br>General Expense | Total<br>Expenses    |
|-----------------------------------------------|--------------------------------|------------------------|-----------------------------------|----------------------|
| Operating expenses:                           |                                |                        |                                   |                      |
| Salaries and wages                            | \$ 2,657,289                   | \$ 998,711             | \$ 566,901                        | \$ 4,222,901         |
| Payroll taxes                                 | 198,046                        | 107,955                | -                                 | 306,001              |
| Health benefits                               | 416,537                        | 120,314                | 58,333                            | 595,184              |
| Retirement expense                            | 114,815                        | 39,983                 | -                                 | 154,798              |
| Equipment rental                              | 1,735                          | -                      | 5,963                             | 7,698                |
| Debt service                                  | 38,361                         | -                      | -                                 | 38,361               |
| Taxes                                         | -                              | -                      | 329                               | 329                  |
| Endowment admin fees                          | -                              | -                      | 15,458                            | 15,458               |
| Affiliate payments                            | 1,617,502                      | -                      | -                                 | 1,617,502            |
| Tower rental                                  | 26,699                         | -                      | -                                 | 26,699               |
| Postage                                       | -                              | -                      | 1,536                             | 1,536                |
| Vehicle expense                               | 4,086                          | -                      | -                                 | 4,086                |
| Direct mail                                   | -                              | 292,792                | -                                 | 292,792              |
| Guide expense                                 | 76,087                         | -                      | -                                 | 76,087               |
| Printing                                      | 4,204                          | 10,077                 | -                                 | 14,281               |
| Office supplies                               | 78                             | -                      | 3,183                             | 3,261                |
| Telephone                                     | 74,106                         | -                      | -                                 | 74,106               |
| IT services                                   | 45,548                         | -                      | -                                 | 45,548               |
| Maintenance and repair                        | 141,903                        | -                      | 63,902                            | 205,805              |
| Travel                                        | 5,151                          | 5,049                  | 4,992                             | 15,192               |
| Utilities                                     | 137,108                        | -                      | 106,257                           | 243,365              |
| Studio supplies                               | 5,003                          | -                      | -                                 | 5,003                |
| Liability insurance                           | 12,002                         | -                      | 123,686                           | 135,688              |
| Dues and subscriptions                        | 142,349                        | 4,828                  | 68,225                            | 215,402              |
| Premiums                                      | -                              | 229,606                | -                                 | 229,606              |
| Advertising                                   | 28,211                         | -                      | -                                 | 28,211               |
| Professional services                         | 400,300                        | 244,962                | 344,830                           | 990,092              |
| Special projects                              | 222,073                        | 35,569                 | 40,283                            | 297,925              |
| Miscellaneous                                 | 1,945                          | 167,811                | 20,362                            | 190,118              |
| <b>Total expenses<br/>before depreciation</b> | <b>6,371,138</b>               | <b>2,257,657</b>       | <b>1,424,240</b>                  | <b>10,053,035</b>    |
| Depreciation                                  | 588,227                        | -                      | 212                               | 588,439              |
| <b>Total expenses</b>                         | <b>\$ 6,959,365</b>            | <b>\$ 2,257,657</b>    | <b>\$ 1,424,452</b>               | <b>\$ 10,641,474</b> |

See notes to financial statements.



**Public Television 19, Inc.**

**Statement of Functional Expenses  
Year Ended June 30, 2020**

|                                               | Program<br>Services<br>Expense | Fundraising<br>Expense | Management and<br>General Expense | Total<br>Expenses    |
|-----------------------------------------------|--------------------------------|------------------------|-----------------------------------|----------------------|
| Operating expenses:                           |                                |                        |                                   |                      |
| Salaries and wages                            | \$ 2,719,303                   | \$ 929,972             | \$ 581,599                        | \$ 4,230,874         |
| Payroll taxes                                 | 202,478                        | 107,937                | 304                               | 310,719              |
| Health benefits                               | 372,383                        | 104,721                | 60,816                            | 537,920              |
| Retirement expense                            | 120,858                        | 38,075                 | 8,361                             | 167,294              |
| Equipment rental                              | 100                            | -                      | 5,553                             | 5,653                |
| Debt service                                  | 42,165                         | -                      | -                                 | 42,165               |
| Taxes                                         | -                              | -                      | 5,634                             | 5,634                |
| Endowment admin fees                          | -                              | -                      | 14,488                            | 14,488               |
| Affiliate payments                            | 1,575,735                      | -                      | -                                 | 1,575,735            |
| Tower rental                                  | 28,240                         | -                      | -                                 | 28,240               |
| Postage                                       | -                              | -                      | 2,082                             | 2,082                |
| Vehicle expense                               | 2,996                          | -                      | -                                 | 2,996                |
| Direct mail                                   | -                              | 243,417                | -                                 | 243,417              |
| Guide expense                                 | 112,597                        | -                      | -                                 | 112,597              |
| Printing                                      | 3,066                          | 10,363                 | 940                               | 14,369               |
| Office supplies                               | 365                            | 40                     | 7,591                             | 7,996                |
| Telephone                                     | 71,180                         | -                      | -                                 | 71,180               |
| IT services                                   | 57,066                         | -                      | -                                 | 57,066               |
| Maintenance and repair                        | 114,438                        | -                      | 79,683                            | 194,121              |
| Travel                                        | 29,615                         | 30,791                 | 20,087                            | 80,493               |
| Utilities                                     | 159,535                        | -                      | 102,766                           | 262,301              |
| Studio supplies                               | 16,687                         | -                      | -                                 | 16,687               |
| Liability insurance                           | 13,000                         | -                      | 112,271                           | 125,271              |
| Dues and subscriptions                        | 135,899                        | 3,984                  | 65,286                            | 205,169              |
| Premiums                                      | 1,017                          | 252,899                | -                                 | 253,916              |
| Advertising                                   | 71,827                         | -                      | -                                 | 71,827               |
| Professional services                         | 488,471                        | 359,700                | 285,676                           | 1,133,847            |
| Special projects                              | 273,996                        | 40,602                 | 17,946                            | 332,544              |
| Miscellaneous                                 | 57,563                         | 129,061                | 32,056                            | 218,680              |
| <b>Total expenses<br/>before depreciation</b> | <b>6,670,580</b>               | <b>2,251,562</b>       | <b>1,403,139</b>                  | <b>10,325,281</b>    |
| Depreciation                                  | 804,605                        | -                      | 671                               | 805,276              |
| <b>Total expenses</b>                         | <b>\$ 7,475,185</b>            | <b>\$ 2,251,562</b>    | <b>\$ 1,403,810</b>               | <b>\$ 11,130,557</b> |

See notes to financial statements.

**Public Television 19, Inc.**

**Statements of Cash Flows  
Years Ended June 30, 2021 and 2020**

|                                                                                              | 2021             | 2020               |
|----------------------------------------------------------------------------------------------|------------------|--------------------|
| Cash flows from operating activities:                                                        |                  |                    |
| Change in net assets                                                                         | \$ 3,511,590     | \$ 2,050,892       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities:  |                  |                    |
| Investment income                                                                            | (1,036,812)      | (160,020)          |
| Depreciation                                                                                 | 588,439          | 805,276            |
| Gain on extinguishment of Paycheck Protection Program loan                                   | (934,047)        | -                  |
| Contributions and grants restricted for capital acquisition and construction                 | (259,250)        | (2,165,287)        |
| (Increase) decrease in operating assets:                                                     |                  |                    |
| Accounts receivable                                                                          | 12,946           | 39,559             |
| Pledges receivable                                                                           | 466,863          | 716,834            |
| Prepaid expenses                                                                             | 66,842           | (11,949)           |
| Deferred lease asset                                                                         | (67,314)         | (77,548)           |
| Increase (decrease) in operating liabilities:                                                |                  |                    |
| Accounts payable and accrued expenses                                                        | 66,060           | 124,914            |
| Deferred revenue                                                                             | (106,052)        | (15,356)           |
| <b>Net cash provided by operating activities</b>                                             | <b>2,309,265</b> | <b>1,307,315</b>   |
| Cash flows from investing activities:                                                        |                  |                    |
| Purchases of property and equipment                                                          | (480,822)        | (542,352)          |
| Contribution to investments                                                                  | (360,013)        | (757,961)          |
| Withdrawal from investments                                                                  | 176,156          | 146,069            |
| <b>Net cash used in investing activities</b>                                                 | <b>(664,679)</b> | <b>(1,154,244)</b> |
| Cash flows from financing activities:                                                        |                  |                    |
| Principal payments on long-term debt                                                         | (128,932)        | (125,128)          |
| Proceeds from long-term debt                                                                 | -                | 934,047            |
| Proceeds from contributions and grants restricted for capital acquisition and construction   | 259,250          | 2,165,287          |
| <b>Net cash provided by financing activities</b>                                             | <b>130,318</b>   | <b>2,974,206</b>   |
| <b>Increase in cash and cash equivalents</b>                                                 | <b>1,774,904</b> | <b>3,127,277</b>   |
| Cash and cash equivalents:                                                                   |                  |                    |
| Beginning                                                                                    | 4,641,146        | 1,513,869          |
| Ending                                                                                       | \$ 6,416,050     | \$ 4,641,146       |
| Supplemental disclosures of cash flow information,<br>cash paid during the year for interest | \$ 38,361        | \$ 42,165          |

See notes to financial statements.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of the Station and Summary of Significant Accounting Policies

**Description of the Station:** Public Television 19, Inc. (the Station) is a nonprofit corporation that operates a noncommercial public television station (KCPT) and an AAA Public Radio Station (KTBG) in Kansas City that serves numerous cities and towns in Missouri and Kansas. The Station is organized under the General Not for Profit Laws of the State of Missouri.

A summary of significant accounting policies is as follows:

**Basis of presentation:** The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Station presents its financial statements based on Accounting Standards Codification (ASC) Topic 958, Presentation of Financial Statements.

**Net assets without donor restrictions:** Net assets without donor restrictions are not subject to donor-imposed restrictions but may be subject to board designations. Earnings on investments are reported as increases in net assets without donor restrictions unless their use is limited by donor stipulation or by laws.

**Net assets with donor restrictions:** Net assets with donor restrictions include gifts for which donor-imposed restrictions have not been met, deferred gifts and pledges receivable. Also included within this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Station that require that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

**Restricted and unrestricted revenue and support:** Contributions received, including unconditional promises, are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. Donor-restricted support whose restrictions are satisfied in the same reporting period in which the contributions are received is classified as increases to net assets without donor restrictions.

The Station reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions specifying 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 those long-lived assets must be maintained, the Station reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Grant revenue:** Grant revenues are recognized when program expenses are incurred in accordance with program guidelines.

**Program and production underwriting and educational services:** Effective July 1, 2020, the Station adopted ASC Topic 606, Revenue from Contracts with Customers.

The difference between the recognition criteria under ASC 606 and ASC Subtopic 340-40 and the Station's previous revenue recognition practice under the historical guidance, ASC Topic 605, was not material. Consistent with the modified retrospective transition approach, the comparative 2020 prior period was not restated.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of the Station and Summary of Significant Accounting Policies (Continued)

For these revenue streams, the Station recognizes revenue in accordance with ASC 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when or as performance obligations are satisfied.

Revenues generated from these sources includes television airtime that is paid for in advance of airing. The related performance obligation is satisfied at a point in time when the television spots are aired. The revenue is recognized as the applicable services are provided and all criteria are met. At June 30, 2021 and 2020, gross program, production underwriting and educational services was \$1,007,068 and \$1,097,526, respectively. Payments received in advance of satisfying the related performance obligations are classified as deferred revenue on the statements of financial position. At June 30, 2021 and 2020, there was \$83,629 and \$120,643, respectively, of deferred revenue related to program, production underwriting and educational services. Associated accounts receivable for program, production underwriting and educational services as of June 30, 2021 and 2020, were \$154,365 and \$141,419 respectively, and allowance for doubtful accounts for program, production underwriting and educational services was \$15,000 at June 30, 2021 and 2020.

**Memberships:** In the implementation of ASC Topic 606, Revenue from Contracts with Customers, management evaluated benefits offered to members and concluded that this has characteristics more consistent with contributions. Therefore, revenue is recognized at the time the donor's commitment is received.

**In-kind contributions:** In-kind contributions and in-kind services expense are recorded in the accompanying financial statements. In-kind contributions consist of donated broadcasting by commercial stations, services provided in exchange for underwriting services, and services that require specialized skills that are provided by individuals possessing those skills and would typically be purchased if not provided by donation. These donations are recorded at fair value.

**Accounts receivable:** Accounts receivable are carried at original invoice less an estimate for doubtful accounts based on a review of all outstanding amounts on a quarterly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history. Receivables are written off when deemed uncollectible. A receivable is considered to be past due if the balance is outstanding after 30 days. Interest is not charged on past-due accounts.

**Pledges receivable:** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

The Station also receives conditional promises to give from donors, which are not recognized as revenue or included in receivables until such time as the conditions are substantially met. As of June 30, 2021 and 2020, the Station had \$1,325,000 and \$1,475,000, respectively, of outstanding conditional promises to give.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of the Station and Summary of Significant Accounting Policies (Continued)

**Donated personal services of volunteers:** Due to the nature of donated services, no amounts have been reflected in the financial statements for such services, since the services do not require specialized skills. The estimated fair value of donated personal services of volunteers incurred in connection with the annual auction and pledge drives, based upon standard valuation rates and job classifications developed by the Corporation for Public Broadcasting, was \$7,049 and \$53,829 for the years ended June 30, 2021 and 2020, respectively.

**Deferred revenue:** Grants received for programs that will be aired principally in the next fiscal year are included as deferred revenue. As the programs are telecast, the deferred revenue will be recognized as revenue. The Station also receives various down payments on operating lease income. The Station amortizes the payments over the life of the lease.

**Deferred lease asset and rental income:** The Station has an operating lease with annual rent increases. The Station recognizes rent revenue ratably over the term of the lease, with rent revenue based on the total payments received under the lease agreement recognized on a straight-line basis over the lease term. The deferred lease asset represents rent revenue in excess of cash payments received to date.

**Property and equipment:** Property and equipment is recorded at cost or, if donated, at the approximate fair value at date of donation. Major renewals and betterments are capitalized, and maintenance and repairs that do not improve or extend the life of the respective assets are charged against net assets in the current period. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to 40 years.

The Station periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

**Income tax status:** The Station is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code; however, the Station is subject to income taxes on any net income from unrelated business activities. Uncertain tax positions, if any, are recorded in accordance with ASC Topic 740, Income Taxes (previously FIN 48). ASC 740 requires the recognition of a liability for tax positions taken that do not meet the more-likely-than-not standard that the position will be sustained upon examination by the taxing authorities. There is no liability for uncertain tax positions recorded as of June 30, 2021 and 2020.

**Investments:** The Station has invested in pooled funds held at the Greater Kansas City Community Foundation (the Foundation), which are recorded at fair value. A portion of this balance represents money market funds, which are reported at cost, which approximates fair value.

**Cash and cash equivalents:** The Station considers investments purchased with an original maturity of three months or less to be cash equivalents. The Station holds cash deposits with banks in excess of federally insured limits. The Station utilizes a large bank to minimize the risk to funds in excess of federal limits. The Station has not experienced any losses on these accounts.

**Use of estimates:** The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of the Station and Summary of Significant Accounting Policies (Continued)

**Functional expense allocations:** Certain expenses, such as depreciation, interest, building services and personnel, are allocated among program and supporting services based primarily on direct payroll charges, equipment usage, or space occupied and on estimates made by the Station's management.

**Fundraising:** The Station participates in various fundraising activities, such as direct mail campaigns, membership development and special events. The expenses related to these fundraising activities are recorded in fundraising in the statements of activities and aggregated \$1,963,699 and \$2,228,411 for the years ended June 30, 2021 and 2020, respectively.

**Advertising:** The Station expenses advertising costs as incurred. Advertising expense was \$28,211 and \$71,827 for the fiscal years ended June 30, 2021 and 2020, respectively, of which \$0 and \$25,338 are related to allocation of in-kind contributions, respectively.

**Adopted accounting pronouncement:** In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation.

**Pending accounting pronouncements:** In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). ASU 2016-02, as deferred one year by ASU 2020-05, requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2022, with early adoption permitted. The Station is in the process of evaluating the impact of this new guidance.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities*, for contributed nonfinancial assets which address presentation and disclosure requirements for contributed nonfinancial assets. The amendment requires that contributed nonfinancial assets is presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Nonfinancial assets includes fixed assets, use of fixed assets or utilities, materials, supplies, intangible assets, services, and unconditional promises of those assets. For each category of contributed nonfinancial assets recognized entity must disclose whether the nonfinancial assets were monetized or utilized during the reporting period and if utilized provide a description of the program or other activities in which those assets were used. Policy on monetizing rather than utilizing contribution nonfinancial assets, a description of any donor-imposed restrictions, description of valuation techniques and inputs to arrive at fair value measure, principal market used to arrive at the market value if it is in a market in which the recipient nonprofit entity is prohibited by a donor-imposed restriction from the selling or using the contributed nonfinancial assets.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of the Station and Summary of Significant Accounting Policies (Continued)

The ASU is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. The Station is in the process of evaluating the impact of this new guidance.

#### Note 2. Pledges Receivable

Included in pledges receivable at June 30, 2021 and 2020, are the following unconditional promises to give:

|                                                            | 2021                | 2020                |
|------------------------------------------------------------|---------------------|---------------------|
| Restricted to future periods:                              |                     |                     |
| Building renovations                                       | \$ 185,000          | \$ 50,000           |
| Content Excellence Fund                                    | 502,000             | 471,250             |
| Core operating systems—technology                          | 230,125             | 240,125             |
| General use                                                | 303,759             | 949,650             |
|                                                            | <u>\$ 1,220,884</u> | <u>\$ 1,711,025</u> |
| Unconditional promises to give before unamortized discount | \$ 1,220,884        | \$ 1,711,025        |
| Less unamortized discount                                  | (36,408)            | (59,686)            |
|                                                            | <u>\$ 1,184,476</u> | <u>\$ 1,651,339</u> |
| Amounts due in:                                            |                     |                     |
| One to five years                                          | \$ 1,207,884        | \$ 1,694,025        |
| Six to 10 years                                            | 13,000              | 17,000              |
|                                                            | <u>\$ 1,220,884</u> | <u>\$ 1,711,025</u> |

Pledges receivable are considered contributions with donor restrictions due to timing, as well as restrictions specified by the donor, since the funds from such contributions are not available for use until received by the Station.

#### Note 3. Assets Held at the Greater Kansas City Community Foundation

The Board of Directors authorized two special trust funds established at the Foundation, an unrelated party. These trust funds were established for the benefit of the Station in the future with no variance power being granted to the Foundation. The assets held at the Foundation are directed by the Station's Board of Directors. Included in assets as investments are \$5,217,963 and \$3,997,294 for 2021 and 2020, respectively. The Public Television 19, Inc. Fund invests only in the Foundation's pooled funds and is designated for general operations in the future and had balances of \$5,217,963 and \$3,997,294 at June 30, 2021 and 2020, respectively.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 3. Assets Held at the Greater Kansas City Community Foundation (Continued)

Individual investments within the Greater Kansas City Foundation Pooled Fund comprise the following:

|                                  | 2021                | 2020                |
|----------------------------------|---------------------|---------------------|
| Public Television 19, Inc. Fund: |                     |                     |
| Fixed-income mutual fund pool    | \$ 1,778,559        | \$ 1,368,919        |
| Equity mutual fund pool          | 3,376,360           | 2,619,823           |
| Money market fund pool           | 63,044              | 8,552               |
|                                  | <u>\$ 5,217,963</u> | <u>\$ 3,997,294</u> |

The change in value of assets held at the Greater Kansas City Community Foundation is as follows for the years ended June 30, 2021 and 2020:

|                                   | 2021                | 2020              |
|-----------------------------------|---------------------|-------------------|
| Interest and dividends            | \$ 85,820           | \$ 81,688         |
| Net realized and unrealized gains | 950,992             | 78,332            |
|                                   | <u>\$ 1,036,812</u> | <u>\$ 160,020</u> |

#### Note 4. Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

|                               | 2021                | 2020                |
|-------------------------------|---------------------|---------------------|
| Land and land improvements    | \$ 444,242          | \$ 419,656          |
| Buildings                     | 9,767,850           | 9,354,469           |
| Broadcast equipment           | 9,876,905           | 9,994,957           |
| Transmission tower            | 1,886,226           | 1,795,017           |
| Furniture and fixtures        | 1,029,340           | 1,007,752           |
| Construction in progress      | 194,849             | 355,690             |
|                               | <u>23,199,412</u>   | <u>22,927,541</u>   |
| Less accumulated depreciation | <u>(19,367,944)</u> | <u>(18,988,456)</u> |
| Property and equipment, net   | <u>\$ 3,831,468</u> | <u>\$ 3,939,085</u> |



**Public Television 19, Inc.**

**Notes to Financial Statements**

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**Note 5. Pledged Assets, Line of Credit and Long-Term Debt**

The Station has a \$500,000 line-of-credit agreement with Bank of America secured by property and other assets. Interest is due monthly at a variable rate equal to the LIBOR Daily Floating Rate plus 2.20% (2.36% as of June 30, 2021), with all principal due on February 28, 2022. At both June 30, 2021 and 2020, \$0 was outstanding on this line of credit.

Long-term debt consists of the following at June 30, 2021 and 2020:

|                                                                                                                                                                                               | <u>2021</u>       | <u>2020</u>         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|
| PPP loan due April 15, 2022, interest at 1%; payable in quarterly interest-only principal payments of \$116,756 due quarterly with interest (see disclosure below for additional information) | \$ -              | \$ 934,047          |
| Radio loan due July 27, 2022; interest at 3.9%; secured by all assets; payable in quarterly interest-only principal payments of \$41,823 due quarterly with interest                          | 918,725           | 1,047,657           |
|                                                                                                                                                                                               | <u>\$ 918,725</u> | <u>\$ 1,981,704</u> |

Aggregate maturities of long-term debt outstanding at June 30, 2021, are as follows:

|                       |                   |
|-----------------------|-------------------|
| Years ending June 30: |                   |
| 2022                  | \$ 132,769        |
| 2023                  | 785,956           |
|                       | <u>\$ 918,725</u> |

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law and is meant to address the economic fallout from the COVID-19 pandemic. In connection, the Station received a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan for \$934,047 on April 15, 2020. Proceeds from this loan were used for the retention of employees and maintained payroll. The Station received notice of forgiveness of the loan from the SBA on May 1, 2021. Proceeds from the loan received in the prior year are recorded as a gain on forgiveness of Paycheck Protection Program loan on the current-year statement of activities.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 6. Operating Leases

The Station is leasing tower and various equipment to several unrelated parties. Rental income for the years ended June 30, 2021 and 2020, is \$1,092,818 and \$1,088,978, respectively. As of June 30, 2021 and 2020, the Station has \$1,199,399 and \$1,132,085, respectively, recorded as a deferred lease asset on the statements of financial position due to future escalating rents. As of June 30, 2021 and 2020, the Station has \$591,385 and \$617,036, respectively, recorded as deferred revenue due to upfront cash payments on tower space leases.

The minimum future rental income under operating leases is as follows:

|                       |                      |
|-----------------------|----------------------|
| Years ending June 30: |                      |
| 2022                  | \$ 897,326           |
| 2023                  | 882,982              |
| 2024                  | 777,240              |
| 2025                  | 788,758              |
| 2026                  | 800,621              |
| Thereafter            | 7,765,550            |
|                       | <u>\$ 11,912,477</u> |

#### Note 7. Liquidity and Availability of Resources

The Station regularly monitors liquidity required to meet its annual operating needs and other contractual requirements while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2021 and 2020, the following financial assets are available to meet annual operating needs of the 2022 and 2021 fiscal years:

|                                                                         | 2021                 | 2020                |
|-------------------------------------------------------------------------|----------------------|---------------------|
| Assets at year-end:                                                     |                      |                     |
| Cash and cash equivalents                                               | \$ 6,416,050         | \$ 4,641,146        |
| Accounts receivable, net                                                | 126,419              | 139,365             |
| Pledge receivables, net                                                 | 1,184,476            | 1,651,339           |
| Prepaid expenses                                                        | 182,552              | 249,394             |
| Investments                                                             | 5,217,963            | 3,997,294           |
| Deferred lease asset                                                    | 1,199,399            | 1,132,085           |
| Property and equipment, net                                             | 3,831,468            | 3,939,085           |
| Total assets                                                            | <u>18,158,327</u>    | <u>15,749,708</u>   |
| Assets not available to be used                                         |                      |                     |
| Pledge receivables for restricted gift, net                             | (1,184,476)          | (1,651,339)         |
| Prepaid expenses                                                        | (182,552)            | (249,394)           |
| Deferred lease asset                                                    | (1,199,399)          | (1,132,085)         |
| Property and equipment, net                                             | (3,831,468)          | (3,939,085)         |
| Total assets not available to be used                                   | <u>(6,397,895)</u>   | <u>(6,971,903)</u>  |
| Financial assets available to meet general expenditures within one year | <u>\$ 11,760,432</u> | <u>\$ 8,777,805</u> |

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 7. Liquidity and Availability of Resources (Continued)

The Station has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit. The Station's investments at the Greater Kansas City Community Foundation are board-designated and can be withdrawn at any time with Board approval and, therefore, could be used as another source of liquidity, if needed. Note 5 discusses the Station's Bank of America Standard Credit Agreement for information about the Station's lines of credit.

#### Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions for the years ended June 30, 2021 and 2020, were available for the following:

|                                   | 2021                | 2020                |
|-----------------------------------|---------------------|---------------------|
| Building renovations              | \$ 2,728,375        | \$ 2,527,375        |
| Core operating systems—technology | 294,414             | 290,924             |
|                                   | <u>\$ 3,022,789</u> | <u>\$ 2,818,299</u> |

#### Note 9. Board-Designated Net Assets (Without Donor Restrictions)

The Station reports Board-designated net assets (without any donor restrictions) for the balance of the investments owned by the Greater Kansas City Community Foundation, as these investments are directed by the Board, except the original grant funds received for the Content Excellence Fund, which are donor-restricted. The Board-designated net asset balance as of June 30, 2021 and 2020, was \$5,217,963 and \$3,997,294, respectively.

#### Note 10. Net Assets Released From Donor Restriction

Net assets were released from restriction for the years ended June 30, 2021 and 2020, for the following purpose:

|                                   | 2021              | 2020                |
|-----------------------------------|-------------------|---------------------|
| Content excellence programs       | \$ 225,000        | \$ 1,512,193        |
| Core operating systems—technology | 151,375           | -                   |
|                                   | <u>\$ 376,375</u> | <u>\$ 1,512,193</u> |

#### Note 11. Retirement Plan

The Station maintains a defined contribution retirement plan for all its employees. The plan provisions call for the Station to make discretionary contributions to the plan equal to each employee's contributions, up to a stated maximum of 5%. Station contributions to the plan are made on a biweekly basis. Employer contributions for the years ended June 30, 2021 and 2020, were \$154,463 and \$167,294, respectively.

#### Note 12. Significant Concentrations

A substantial portion of the Station's programming is made possible through an agreement with the Public Broadcasting Service (PBS). Programs obtained from PBS constituted approximately 58% and 61% of the Station's airtime during the years ended June 30, 2021 and 2020, respectively.

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 13. Fair Value Measurements

The Station has adopted the provisions of ASC Topic 820, Fair Value Measurements, for assets and liabilities measured and reported at fair value. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The fair value hierarchy is as follows:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data. Level 2 investments include pooled investments that do not have any significant redemption restrictions that would cause liquidation and report date values to be significantly different, if redemption were requested at report date.

**Level 3:** Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following tables summarize the assets measured at fair value on a recurring basis, segregated by the general classification of such instruments pursuant to the valuation hierarchy:

#### Investment held with the Foundation and in pooled funds:

|                                 | June 30, 2021       |         |              |         |
|---------------------------------|---------------------|---------|--------------|---------|
|                                 | Total               | Level 1 | Level 2      | Level 3 |
| Pooled funds at the Foundation: |                     |         |              |         |
| Fixed-income mutual fund pool   | \$ 1,778,559        | \$ -    | \$ 1,778,559 | \$ -    |
| Equity mutual fund pool         | 3,376,360           | -       | 3,376,360    | -       |
|                                 | 5,154,919           | \$ -    | \$ 5,154,919 | \$ -    |
| Money market fund pool          | 63,044              |         |              |         |
|                                 | <u>\$ 5,217,963</u> |         |              |         |

## Public Television 19, Inc.

### Notes to Financial Statements

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#### Note 13. Fair Value Measurements (Continued)

|                                 | June 30, 2020       |             |                     |             |
|---------------------------------|---------------------|-------------|---------------------|-------------|
|                                 | Total               | Level 1     | Level 2             | Level 3     |
| Pooled funds at the Foundation: |                     |             |                     |             |
| Fixed-income mutual fund pool   | \$ 1,368,919        | \$ -        | \$ 1,368,919        | \$ -        |
| Equity mutual fund pool         | 2,619,823           | -           | 2,619,823           | -           |
|                                 | <u>3,988,742</u>    | <u>\$ -</u> | <u>\$ 3,988,742</u> | <u>\$ -</u> |
| Money market fund pool          | 8,552               |             |                     |             |
|                                 | <u>\$ 3,997,294</u> |             |                     |             |

**Assets recorded at fair value on a recurring basis:** A description of the valuation methodologies used for assets on a recurring basis is set forth below:

**Pooled funds at the Foundation:** The Station's investments are an investment in the funds held by the Foundation. The Station invests in the Foundation's fixed-income and equity mutual fund pools, which consist of all Level 1 investments; however, since the Station's investment is in the Foundation, not the individual investments, all of the Station's investment in the Foundation is classified as Level 2. The Foundation values their individual securities as follows: Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include highly liquid government bonds and exchange-traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow.

The Station does not have assets and liabilities recorded at fair market value on a nonrecurring basis.

The fair value estimates presented are based on pertinent information available to management at June 30, 2021 and 2020. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have been comprehensively revalued for purposes of the financial statements since that date; therefore, current estimates of fair value may differ significantly from the amounts presented herein.

#### Note 14. Subsequent Events

Management has evaluated and disclosed subsequent events up to and including September 15, 2021, which is the date the financial statements were available to be issued.

**Public Television 19, Inc.**

**Statement of Activities by Department  
Supplementary Information  
Year Ended June 30, 2021**

|                                                                                                          | KTBG                | KCPT                 | Total                |
|----------------------------------------------------------------------------------------------------------|---------------------|----------------------|----------------------|
| Revenues, gains and other support:                                                                       |                     |                      |                      |
| Membership income                                                                                        | \$ 327,170          | \$ 4,726,427         | \$ 5,053,597         |
| Grants                                                                                                   | 224,265             | 2,145,789            | 2,370,054            |
| Contributions, bequests and capital grants                                                               | -                   | 1,634,365            | 1,634,365            |
| Contributions, capital campaign                                                                          | -                   | 739,279              | 739,279              |
| In-kind contributions                                                                                    | -                   | 900                  | 900                  |
| Program and production underwriting                                                                      | 126,809             | 788,024              | 914,833              |
| Educational services                                                                                     | -                   | 92,235               | 92,235               |
| Rental income                                                                                            | -                   | 1,092,818            | 1,092,818            |
| Broadcast royalties                                                                                      | -                   | 77,902               | 77,902               |
| Miscellaneous                                                                                            | -                   | 206,222              | 206,222              |
| Investment income                                                                                        | -                   | 1,036,812            | 1,036,812            |
| Forgiveness of Paycheck Protection Program loan                                                          | -                   | 934,047              | 934,047              |
| <b>Total revenues, gains and other support</b>                                                           | <b>678,244</b>      | <b>13,474,820</b>    | <b>14,153,064</b>    |
| Expenses:                                                                                                |                     |                      |                      |
| Program services                                                                                         | 722,421             | 6,236,944            | 6,959,365            |
| Fundraising                                                                                              | 53,064              | 2,204,593            | 2,257,657            |
| Management and general                                                                                   | -                   | 1,424,452            | 1,424,452            |
| <b>Total expenses (including depreciation of \$74,599 and \$513,840 for KTBG and KCPT, respectively)</b> | <b>775,485</b>      | <b>9,865,989</b>     | <b>10,641,474</b>    |
| <b>Changes in net assets</b>                                                                             | <b>(97,241)</b>     | <b>3,608,831</b>     | <b>3,511,590</b>     |
| Net assets:                                                                                              |                     |                      |                      |
| Beginning                                                                                                | (876,674)           | 13,048,098           | 12,171,424           |
| Ending                                                                                                   | <b>\$ (973,915)</b> | <b>\$ 16,656,929</b> | <b>\$ 15,683,014</b> |

See notes to supplementary information.

**Public Television 19, Inc.**

**Statement of Activities by Department  
Supplementary Information  
Year Ended June 30, 2020**

|                                                                                                                  | KTBG                | KCPT                 | Total                |
|------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|----------------------|
| Revenues, gains and other support:                                                                               |                     |                      |                      |
| Membership income                                                                                                | \$ 343,649          | \$ 4,252,159         | \$ 4,595,808         |
| Grants                                                                                                           | 101,363             | 1,731,606            | 1,832,969            |
| Contributions, bequests and capital grants                                                                       | 17,450              | 2,152,945            | 2,170,395            |
| In-kind contributions                                                                                            | -                   | 74,698               | 74,698               |
| Program and production underwriting                                                                              | 260,356             | 704,006              | 964,362              |
| Educational services                                                                                             | -                   | 133,164              | 133,164              |
| Rental income                                                                                                    | -                   | 1,088,978            | 1,088,978            |
| Broadcast royalties                                                                                              | -                   | 2,258                | 2,258                |
| Contributions, capital campaign                                                                                  | -                   | 2,157,143            | 2,157,143            |
| Miscellaneous                                                                                                    | -                   | 1,654                | 1,654                |
| Investment income                                                                                                | -                   | 160,020              | 160,020              |
| <b>Total revenues, gains and other support</b>                                                                   | <b>722,818</b>      | <b>12,458,631</b>    | <b>13,181,449</b>    |
| Expenses:                                                                                                        |                     |                      |                      |
| Program services                                                                                                 | 730,580             | 6,744,605            | 7,475,185            |
| Fundraising                                                                                                      | 91,494              | 2,160,068            | 2,251,562            |
| Management and general                                                                                           | -                   | 1,403,810            | 1,403,810            |
| <b>Total expenses (including depreciation of<br/>\$83,481 and \$721,795 for KTBG and KCPT,<br/>respectively)</b> | <b>822,074</b>      | <b>10,308,483</b>    | <b>11,130,557</b>    |
| <b>Changes in net assets</b>                                                                                     | <b>(99,256)</b>     | <b>2,150,148</b>     | <b>2,050,892</b>     |
| Net assets:                                                                                                      |                     |                      |                      |
| Beginning                                                                                                        | (777,418)           | 10,897,950           | 10,120,532           |
| Ending                                                                                                           | <u>\$ (876,674)</u> | <u>\$ 13,048,098</u> | <u>\$ 12,171,424</u> |

See notes to supplementary information.

**Public Television 19, Inc.**

**Notes to Supplementary Information**

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In addition to the basic financial statements, the Station presents a statement of activities for two departments of the Station. Brief explanations of the departments are as follows:

**KTBG:** This department is used to account for the operating activity of the radio station acquired and operated by the Station.

**KCPT:** This department is used to account for all other operations of the Station.