

Detroit Educational Television Foundation

Financial Statements and
Supplementary Information

June 30, 2022 and 2021

Detroit Educational Television Foundation

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Independent Auditors' Report

To the Board of Trustees of
Detroit Educational Television Foundation

Opinion

We have audited the financial statements of Detroit Educational Television Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

Baker Tilly US, LLP

Southfield, Michigan
September 21, 2022

Detroit Educational Television Foundation

Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,467,448	\$ 7,830,015
Investments	6,806,249	5,772,104
Trade accounts receivable	759,855	558,592
Pledges receivable	2,213,541	1,233,998
Inventory	29,753	53,251
Prepaid expenses and other assets	<u>745,958</u>	<u>645,673</u>
Total current assets	17,022,804	16,093,633
Pledges receivable, long-term, net	963,538	220,663
Other assets, long-term, net	707,565	836,956
Property and equipment, net	<u>13,773,283</u>	<u>14,204,848</u>
Total assets	<u>\$ 32,467,190</u>	<u>\$ 31,356,100</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 849,690	\$ 827,340
Accrued liabilities and other	1,289,695	1,388,621
Current portion of transmitter deferred reimbursement	259,143	259,143
Current portion of equipment liability	35,366	35,366
Current portion of long-term debt	1,702,500	151,333
Current portion of other long-term liabilities	<u>150,000</u>	<u>150,000</u>
Total current liabilities	4,286,394	2,811,803
Long-Term Liabilities		
Long-term debt	-	1,702,500
Long-term equipment liability	141,464	176,829
Long-term transmitter deferred reimbursement	1,763,402	2,022,546
Other long-term liabilities, net	<u>557,565</u>	<u>686,956</u>
Total liabilities	<u>6,748,825</u>	<u>7,400,634</u>
Net Assets		
Without donor restrictions:		
Undesignated	15,741,788	17,186,658
Board designated, quasi-endowment	<u>5,850,371</u>	<u>4,671,484</u>
Total without donor restrictions	21,592,159	21,858,142
With donor restrictions	<u>4,126,206</u>	<u>2,097,324</u>
Total net assets	<u>25,718,365</u>	<u>23,955,466</u>
Total liabilities and net assets	<u>\$ 32,467,190</u>	<u>\$ 31,356,100</u>

See notes to financial statements

Detroit Educational Television Foundation

Statements of Activities

Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	2022 Total	Without Donor Restrictions	With Donor Restrictions	2021 Total
Revenues, Gains and Other Support						
Individual contributions	\$ 10,435,709	\$ 256,119	\$ 10,691,828	\$ 9,671,156	\$ -	\$ 9,671,156
Production of local and national programs	2,906,788	3,174,330	6,081,118	1,939,030	771,140	2,710,170
Corporation for Public Broadcasting grants	2,029,885	-	2,029,885	2,773,952	-	2,773,952
Federal and state government grants	1,872,127	402,817	2,274,944	2,997,256	541,980	3,539,236
Corporate contributions	1,101,246	-	1,101,246	1,560,152	-	1,560,152
Foundation contributions	260,677	50,000	310,677	430,131	100,000	530,131
Facilities rental	399,967	-	399,967	750,926	-	750,926
Retail product sales	94,293	-	94,293	102,344	-	102,344
Investment income (loss), net	(910,434)	(11,261)	(921,695)	859,186	1,145	860,331
Miscellaneous	354,064	-	354,064	802,652	-	802,652
Paycheck Protection Program contribution	-	-	-	521,623	-	521,623
Net assets released from restrictions	1,843,123	(1,843,123)	-	1,478,657	(1,478,657)	-
Total revenues, gains and other support	20,387,445	2,028,882	22,416,327	23,887,065	(64,392)	23,822,673
Expenses						
Program Services:						
Engagement and outreach	1,453,632	-	1,453,632	1,188,621	-	1,188,621
Production and content creation	6,456,417	-	6,456,417	5,203,899	-	5,203,899
Broadcast	5,991,060	-	5,991,060	5,773,029	-	5,773,029
Total program services	13,901,109	-	13,901,109	12,165,549	-	12,165,549
Support Services:						
Administration and general	2,372,735	-	2,372,735	2,366,130	-	2,366,130
Fundraising	4,379,584	-	4,379,584	4,097,536	-	4,097,536
Total expenses	20,653,428	-	20,653,428	18,629,215	-	18,629,215
Change in net assets	(265,983)	2,028,882	1,762,899	5,257,850	(64,392)	5,193,458
Net Assets, Beginning	21,858,142	2,097,324	23,955,466	16,600,292	2,161,716	18,762,008
Net Assets, Ending	\$ 21,592,159	\$ 4,126,206	\$ 25,718,365	\$ 21,858,142	\$ 2,097,324	\$ 23,955,466

See notes to financial statements

Detroit Educational Television Foundation

Statement of Functional Expenses

Year Ended June 30, 2022

	<u>Engagement and Outreach</u>	<u>Production and Content Creation</u>	<u>Broadcast</u>	<u>Total Program</u>	<u>Administration and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits, and taxes	\$ 710,171	\$ 3,206,804	\$ 1,254,443	\$ 5,171,418	\$ 1,593,713	\$ 1,305,823	\$ 8,070,954
Retail product sales	-	81,062	-	81,062	-	-	81,062
Royalties	-	791	-	791	-	-	791
Program acquisition	-	190,856	2,568,335	2,759,191	-	-	2,759,191
Premium and donor supply	-	-	-	-	-	398,834	398,834
Advertising and promotion	1,539	52,726	-	54,265	68,377	45,057	167,699
Purchased services	436,241	1,815,206	887,524	3,138,971	266,670	1,922,311	5,327,952
Technology and data processing	121,177	104,869	85,290	311,336	47,556	208,202	567,094
Occupancy	72,507	291,725	431,019	795,251	77,186	97,641	970,078
Maintenance, repairs and equipment	36,426	214,315	55,104	305,845	36,577	43,817	386,239
Postage and shipping	76	5,997	361	6,434	54,594	92,888	153,916
Travel	-	36,887	92	36,979	10,981	2,434	50,394
Staff training and development	2,691	8,929	6,042	17,662	35,516	3,524	56,702
Stationery and supplies	1,401	153,630	7,442	162,473	38,418	4,395	205,286
Interest, currency exchange and bank fees	-	-	-	-	68,205	181,828	250,033
Miscellaneous	-	-	-	-	19,540	-	19,540
Depreciation and amortization	71,403	292,620	695,408	1,059,431	55,402	72,830	1,187,663
Total expenses	\$ 1,453,632	\$ 6,456,417	\$ 5,991,060	\$ 13,901,109	\$ 2,372,735	\$ 4,379,584	\$ 20,653,428

See notes to financial statements

Detroit Educational Television Foundation

Statement of Functional Expenses

Year Ended June 30, 2021

	<u>Engagement and Outreach</u>	<u>Production and Content Creation</u>	<u>Broadcast</u>	<u>Total Program</u>	<u>Administration and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits, and taxes	\$ 483,349	\$ 2,717,354	\$ 1,148,096	\$ 4,348,799	\$ 1,492,886	\$ 1,237,353	\$ 7,079,038
Retail product sales	-	82,136	-	82,136	-	-	82,136
Royalties	-	4,722	-	4,722	-	-	4,722
Program acquisition	-	62,788	2,695,890	2,758,678	-	-	2,758,678
Premium and donor supply	-	-	-	-	35	507,530	507,565
Advertising and promotion	5,294	22,247	-	27,541	87,457	32,650	147,648
Purchased services	433,426	1,381,994	790,265	2,605,685	356,443	1,554,368	4,516,496
Technology and data processing	109,114	89,459	72,226	270,799	45,379	206,947	523,125
Occupancy	55,532	217,988	415,007	688,527	74,402	72,515	835,444
Maintenance, repairs, and equipment	33,809	166,737	30,782	231,328	35,933	41,056	308,317
Postage and shipping	27	7,642	114	7,783	60,291	105,360	173,434
Travel	205	6,109	35	6,349	4,723	287	11,359
Staff training and development	3,085	9,133	8,178	20,396	27,570	5,417	53,383
Stationery and supplies	4,604	131,898	7,565	144,067	37,510	33,539	215,116
Interest, currency exchange and bank fees	-	-	-	-	68,934	193,077	262,011
Miscellaneous	-	18,349	1,133	19,482	14,472	33,623	67,577
Depreciation and amortization	60,176	285,343	603,738	949,257	60,095	73,814	1,083,166
Total expenses	<u>\$ 1,188,621</u>	<u>\$ 5,203,899</u>	<u>\$ 5,773,029</u>	<u>\$ 12,165,549</u>	<u>\$ 2,366,130</u>	<u>\$ 4,097,536</u>	<u>\$ 18,629,215</u>

See notes to financial statements

Detroit Educational Television Foundation

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flow From Operating Activities		
Change in net assets	\$ 1,762,899	\$ 5,193,458
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	1,187,663	1,083,166
Gain on sale of property and equipment	-	(20,300)
Noncash change in equipment liability	(35,365)	(35,366)
Net realized and unrealized (gain) loss on investments	1,038,976	(876,926)
Change in pledge discount	100,908	(3,236)
Changes in assets and liabilities:		
Trade accounts receivable	(201,263)	49,284
Pledges receivable	(1,823,326)	329,446
Inventory	23,498	(27,691)
Prepaid expenses and other	(100,285)	(459,085)
Accounts payable	22,350	(136,929)
Accrued liabilities and other	(98,926)	608,447
Paycheck Protection Program refundable advance	-	(521,623)
Net cash flows from operating activities	<u>1,877,129</u>	<u>5,182,645</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(606,098)	(1,232,563)
Proceeds from disposition of property and equipment	-	20,300
Purchases of investments	(2,241,035)	(3,920,762)
Proceeds from sales and maturities of investments	<u>167,914</u>	<u>2,296,770</u>
Net cash flows from investing activities	<u>(2,679,219)</u>	<u>(2,836,255)</u>
Cash Flows From Financing Activities		
FCC transmitter reimbursement	(259,144)	186,762
Payments on long-term debt	(151,333)	(151,333)
Payments on other long-term liabilities	<u>(150,000)</u>	<u>(150,000)</u>
Net cash flows from financing activities	<u>(560,477)</u>	<u>(114,571)</u>
Net change in cash and cash equivalents	(1,362,567)	2,231,819
Cash and Cash Equivalents, Beginning	<u>7,830,015</u>	<u>5,598,196</u>
Cash and Cash Equivalents, Ending	<u>\$ 6,467,448</u>	<u>\$ 7,830,015</u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	<u>\$ 36,657</u>	<u>\$ 37,781</u>

See notes to financial statements

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

1. Nature of Activities

Detroit Educational Television Foundation (the Foundation) is a not-for-profit corporation that is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code, classified as an organization that is not a private foundation and incorporated under the name Detroit Educational Television Foundation. The Foundation also operates under the names DPTV, Detroit Public TV, Channel 56, and WTVS. The Foundation operates two broadcast entities: WTVS Channel 56, a viewer-sponsored television service for southeastern Michigan and Canada, and WRCJ-FM, a classical/jazz FM radio station in Detroit, Michigan. The Foundation receives the majority of its funding from individual, corporate, government and foundation contributions and grants.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Foundation considers all investments with an original maturity of three months or less when purchased to be cash equivalents, except for those money market funds that are considered part of the investment portfolio.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Trade Receivables

Trade receivables consist of amounts due for underwriting, grants, rentals, production services, licensing and retail sales, as follows:

	<u>2022</u>	<u>2021</u>
Underwriting	\$ 218,990	\$ 163,774
Grants	134,078	254,931
Rentals	83,600	95,857
Production services	153,650	34,817
Program licensing	162,500	-
Retail sales	7,037	9,213
Total	<u>\$ 759,855</u>	<u>\$ 558,592</u>

Accounts receivable that are reciprocal in nature are stated at an amount that management expects to receive from the net transaction price. Balances are recorded net of adjustments or discounts to determine the net transaction price. Historically, the Foundation has collected substantially all of the consideration to which it is entitled under its contracts with customers. Subsequent adjustments, if any, are recognized as revenue when received. The adequacy of the Foundation's net realizable receivable is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables by payor and aging of receivables, along with a review of specific accounts.

Detroit Educational Television Foundation

Notes to Financial Statements
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Unconditional Contributions

Unconditional contributions, including pledges receivable, are recognized as revenue in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Contributions to be received after one year are discounted at the interest rate in effect in the year the pledge was made. Amortization of the discount is recorded as additional contribution revenue. An allowance, if any, is made for doubtful pledges receivable based upon management's judgment and analysis of the past collection history and other relevant factors. All receivables were determined to be fully collectible at June 30, 2022 and 2021.

Inventory

Inventory, consisting of merchandise held for resale by a third party, is stated at the lower of cost or net realizable value, with cost determined on the first-in, first out (FIFO) method.

Other Assets

The Foundation incurred costs of \$1,500,000 associated with the right to use a broadcast license. These amounts are included in other assets in the statements of financial position. The right to use the asset is being amortized over the expected useful life of the asset and is reflected at a discount rate of 3%. Accumulated amortization as of June 30, 2022 and 2021 was \$750,000 and \$600,000, respectively.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value at date of the gift if donated. Acquisitions of property and equipment in excess of \$5,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not fully be recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. There have been no such losses during the years ended June 30, 2022 and 2021.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

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

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor.

Detroit Educational Television Foundation

Notes to Financial Statements
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Expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contribution revenue with donor-imposed restrictions that are met in the same year as received or earned is reported as an increase to net assets without donor restrictions. Contribution revenue with donor imposed restrictions that are not met in the same year is reported as an increase to net assets with donor restrictions and is reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction.

Board Designated Net Assets

The Foundation's Board of Trustees has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Trustees at any time.

Revenue Recognition

Revenue streams that are considered to be exchange transactions consist of production services income, program licensing income and retail product sales.

Production services revenue, program licensing revenue and retail product sales are reported at the amount that reflects the consideration the Foundation expects to receive in exchange for the services or goods provided.

For production services revenue, contracts are agreed to by the Foundation and the purchaser of the services. Performance obligations are determined based on the nature of the services provided and revenue is recognized over time as performance obligations are satisfied. Production service revenue was approximately \$1,058,000 and \$1,130,000 for the years ending June 30, 2022 and 2021, respectively, and is included in production of local and national programs in the statements of activities. Contract liabilities were \$38,000 and \$0 as of June 30, 2022 and 2021, respectively. Customer payment is generally due within 30 days of invoice date, with payments scheduled at various times through the production process.

For program licensing, contracts are agreed to by the Foundation and the purchaser of the services. The performance obligation is determined to be the point in time upon delivery of the final program and start of license term. Program licensing revenue was approximately \$353,000 and \$99,000 for the years ending June 30, 2022 and 2021, respectively, and is included in production of local and national programs in the statements of activities. There were no contract liabilities as of June 30, 2022 and 2021. Customer payment is generally due within 30 days of invoice date, with payments scheduled at various times through the production process.

For retail product sales, revenue is recognized at a point in time upon shipment whereby control of the promised goods are transferred to the customer. Retail product sales were approximately \$94,000 and \$102,000 for the years ending June 30, 2022 and 2021, respectively. There were no contract liabilities as of June 30, 2022 and 2021. Product sales on consignment are paid 45 days from the end of the month during which products were sold, less consignment fees.

Detroit Educational Television Foundation

Notes to Financial Statements
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Unconditional contributions, including pledges receivable, are recognized in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, whether received or made are recognized only when the conditions on which they depend are met and the promises become unconditional. The gifts are reported as net assets with donor restrictions if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. In the absence of donor specification or law that income and gains on donated funds are restricted, such income and gains are reported as contributions without donor restrictions. The Foundation has conditional contributions of \$0 and \$253,750 as of June 30, 2022 and 2021, respectively. The Foundation receives contributions from board members who are considered related parties. Approximately \$326,000 and \$90,000 was received from related parties in the years ending June 30, 2022 and 2021, respectively. Related party receivables were approximately \$225,500 and \$22,000 in the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

The Foundation allocates shared costs in the following categories based on estimated time and effort: salaries, information technology services, technology, occupancy, equipment, supplies, and depreciation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adopted Accounting Pronouncements

During 2022, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. Adopted ASU No. 2020-07 did not have a significant impact on the Foundation's financial statements.

Future Accounting Pronouncements

During February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021 (2023). The Foundation is currently assessing the effect that ASU No. 2016-02 (as amended) will have on its financial statements.

Detroit Educational Television Foundation

Notes to Financial Statements
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During March 2020, FASB issued ASU No. 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU No. 2020-04 provides optional expedients and exceptions for applying generally accepted accounting principles (GAAP) to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. Entities may elect the optional expedients and exceptions included in ASU No. 2020-04 as of March 12, 2020 and through December 31, 2022. The Foundation is currently assessing the effect that electing the optional expedients and exceptions included in ASU No. 2020-04 will have on its financial statements.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 21, 2022, which is the date the financial statements were available to be issued.

3. Fair Value Measurements

The Foundation follows current authoritative accounting guidance, which provides a framework for measuring, reporting, and disclosing fair value under generally accepted accounting principles. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

As defined by current authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible the Foundation attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2022 and 2021 and the valuation techniques used by the Foundation to determine those fair values. The valuation of money market funds is determined on the cost basis. As a result, they are excluded from the fair value hierarchy level disclosures.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Investments:				
Mutual funds, equity	\$ 3,719,531	\$ 3,719,531	\$ -	\$ -
Mutual funds, fixed-income	<u>1,954,213</u>	<u>1,954,213</u>	<u>-</u>	<u>-</u>
Total	5,673,744	<u>\$ 5,673,744</u>	<u>\$ -</u>	<u>\$ -</u>
Money market accounts	<u>1,132,505</u>			
Total assets at fair value	<u>\$ 6,806,249</u>			

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Investments:				
Mutual funds, equity	\$ 3,384,351	\$ 3,384,351	\$ -	\$ -
Mutual funds, fixed-income	<u>1,319,457</u>	<u>1,319,457</u>	<u>-</u>	<u>-</u>
Total	4,703,808	<u>\$ 4,703,808</u>	<u>\$ -</u>	<u>\$ -</u>
Money market accounts	<u>1,068,296</u>			
Total assets at fair value	<u>\$ 5,772,104</u>			

4. Pledges Receivable

Pledges receivable represent amounts pledged from donors. Pledges receivable consist of the following as of June 30:

	2022	2021
Pledges receivable	\$ 3,287,901	\$ 1,464,575
Less unamortized discount	<u>(110,822)</u>	<u>(9,914)</u>
Net pledges receivable	<u>\$ 3,177,079</u>	<u>\$ 1,454,661</u>
Amounts due in:		
Less than one year	\$ 2,213,541	\$ 1,233,998
One to five years	<u>1,074,360</u>	<u>230,577</u>
Total pledges receivable	<u>\$ 3,287,901</u>	<u>\$ 1,464,575</u>

The discount rate associated with pledges made is LIBOR plus 1.75% in 2022 and 2021. The discount was 2.97% and 1.82 % for the years ending June 30, 2022 and 2021, respectively.

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

5. WRCJ License Transfer

The Federal Communications Commission (FCC) broadcast license for WRCJ was owned by Detroit Public Schools (DPS). The Foundation operated the station under an operating agreement with DPS where the Foundation paid certain operating expenses of the station in addition to an annual royalty payment. In 2017, DPS sold the FCC broadcast license for WRCJ along with certain assets of the station to a third party (the new station owner). The Foundation entered into an operating agreement with the new station owner where the Foundation operates the station subject to the supervision of the station owner. The term of the operating agreement is 10 years, expiring on March 1, 2027. The agreement will automatically renew for 10-year terms unless there is a material breach of contract or the broadcast license is revoked by the FCC or sold by the station owner. The Foundation has rights to all station revenue and is responsible for most operating expenses of the station and is responsible for operating and maintaining station equipment. Under the terms of the operating agreement, the Foundation is not required to pay the station owner for the use of the license and station assets. The Foundation determined that the sale of the WRCJ broadcast license to the new station owner was in the Foundation's best interest; therefore, the Foundation provided a commitment to DPS of \$1.5 million in cash and \$1.5 million in in-kind services to be provided ratably over a 10-year period. The intent of this commitment was to incentivize the sale of the license to the new station owner and to secure the contract with the new station owner, which entitles the Foundation to the revenue from the station over the term of the operating agreement.

The Foundation recorded a liability for the present value of the \$1.5 million commitment of cash, discounted at 3.0%. The commitment of in-kind services is deemed to be a conditional commitment, as it is subject to annual agreement between the Foundation and DPS based on the needs of DPS and does not represent a present obligation of the Foundation; therefore, a liability has not been recorded for in-kind services.

Since the \$1.5 million cash commitment represents incremental costs incurred by the Foundation to secure a revenue-producing contract, the Foundation has recorded an asset for the present value of those costs, also discounted at 3.0%. The costs will be recognized over the 10-year term of the operating agreement with the new station owner. The amortization is included in the broadcast program expenses in the statement of activities and changes in net assets for the years ended June 30, 2022 and 2021.

The following table summarizes the assets (included in other assets on the statements of financial position) and liabilities (included in other liabilities on the statements of financial position) the Foundation has recorded as of June 30, 2022 and 2021 in association with this transaction:

	<u>2022</u>	<u>2021</u>
Right to use WRCJ license, gross	\$ 1,500,000	\$ 1,500,000
Present value discount	(42,435)	(63,044)
Accumulated amortization	<u>(750,000)</u>	<u>(600,000)</u>
Other assets, net	<u>\$ 707,565</u>	<u>\$ 836,956</u>
Liability to DPS, gross	\$ 750,000	\$ 900,000
Present value discount	<u>(42,435)</u>	<u>(63,044)</u>
Total liability to DPS, net	707,565	836,956
Amount due within one year	<u>(150,000)</u>	<u>(150,000)</u>
Other long-term liabilities	<u>\$ 557,565</u>	<u>\$ 686,956</u>

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

6. Property and Equipment

Property and equipment are summarized as follows:

	Depreciable Life - Years	2022	2021
Land	-	\$ 2,539,173	\$ 2,539,173
Land improvements	10-15	240,363	147,497
Buildings and building improvements	7-40	12,352,758	12,345,332
Broadcast and production equipment	2-10	10,812,526	11,290,027
Office equipment	3-5	915,400	869,197
Construction in progress	-	32,914	-
Total cost		26,893,134	27,191,226
Accumulated depreciation		(13,119,851)	(12,986,378)
Net property and equipment		<u>\$ 13,773,283</u>	<u>\$ 14,204,848</u>

Depreciation expense for the years June 30, 2022 and 2021 was \$1,037,663 and \$933,166, respectively.

7. Commitments and Contingency

The Foundation has entered into multiple agreements with artists in which the Foundation has rights to manufacture, market, and distribute the artists' products throughout the United States and Canada. The Foundation is also obligated to pay royalties to publishers as a requirement under the copyright act. The Foundation is required to pay such royalties based upon a percentage of proceeds derived from the sales of the products. At June 30, 2022 and 2021, the Foundation accrued approximately \$1,300 and \$3,000, respectively, in royalties under these agreements.

Financial awards from federal, state and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Foundation for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

8. Transmitter Liability

Due to changes in FCC regulations, the Foundation was required to purchase a significant amount of equipment to comply with new regulatory guidelines. The FCC provided funds to help support these necessary changes and to reimburse the Foundation for the cost of the equipment. Between fiscal years 2019 and 2021, the Foundation received reimbursements for the cost of equipment totaling \$2,591,433. The Foundation has deferred recognition of this reimbursement and amortizes the resulting liability into income over the useful lives of the assets.

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

9. Equipment Liability

During 2015, the Foundation purchased equipment used in WRCJ's operations at a cost of \$450,000. The Foundation was reimbursed for these costs by the station owner. The assets are included in the Foundation's property and equipment; however, the Foundation concluded that ownership of the assets was likely to revert to the station owner at the end of the station operating agreement. Therefore, the Foundation recorded an agency liability in the amount of \$450,000, which was to be amortized over the remaining operating agreement. During 2017, the station was purchased by another party (see Note 5), and the operating agreement with the new owner was extended through 2027. Beginning in 2017, the Foundation revised the amortization period of both the asset and liability to extend amortization through 2027.

At June 30, 2022 and 2021, the net book value of this equipment was \$176,830 and \$212,195, respectively, and was recorded as an asset included in property and equipment on the statements of financial position.

10. Long-Term Debt

The Foundation entered into a term loan credit agreement in the amount of \$2,270,000 with a maturity date of June 30, 2023. Interest is to be paid on the first business day of each calendar month with interest at 1.75% per annum above the daily adjusting LIBOR (2.875% and 1.875% at June 30, 2022 and 2021, respectively). Principal payments are made quarterly in the amount of \$37,833. The note is collateralized by all personal property of the Foundation. In addition, the Foundation is subject to meeting certain restrictions and covenants. The Foundation represents that it is in compliance with all covenants as of June 30, 2022 and 2021. Interest expense for the year ending June 30, 2022 and 2021 was \$36,657 and \$37,781, respectively.

11. Line of Credit

The Foundation has a secured line of credit agreement with Fifth Third Bank with available borrowings of approximately \$1,100,000 with a maturity date of June 30, 2023. Interest is to be paid at 1.75% per annum above the daily adjusting LIBOR, an effective rate of 2.875% and 1.875% at June 30, 2022 and 2021, respectively. There was no outstanding balance against the line of credit at June 30, 2022 and 2021.

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

12. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30 are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for a specified purpose, production funding:		
One Detroit Initiative	\$ 210,333	\$ 269,624
Great Lakes Now Initiative	217,771	210,533
Early Childhood Initiative	1,933,633	551,906
Michigan Learning Channel	1,246,338	541,980
Production of National and Local Program content	<u>81,455</u>	<u>191,463</u>
Total subject to expenditures for a specified purpose, production funding	3,689,530	1,765,506
Subject to the passage of time, operating funding	306,119	190,000
Subject to the Foundation's spending policy and appropriation, permanent donor-restricted endowment	69,009	80,270
Subject to appropriation and expenditures when a specified event occurs, charitable gift annuity	<u>61,548</u>	<u>61,548</u>
Total	<u>\$ 4,126,206</u>	<u>\$ 2,097,324</u>

13. Donor-Restricted and Board-Designated Endowments

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the Foundation had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

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

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment net asset composition by type of fund as of June 30:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment fund	\$ 5,850,371	\$ -	\$ 5,850,371
Donor-restricted endowment funds, Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	80,270	80,270
Accumulated investment loss	-	(11,261)	(11,261)
Total	<u>\$ 5,850,371</u>	<u>\$ 69,009</u>	<u>\$ 5,919,380</u>

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment fund	\$ 4,671,484	\$ -	\$ 4,671,484
Donor-restricted endowment funds, Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	80,270	80,270
Total	<u>\$ 4,671,484</u>	<u>\$ 80,270</u>	<u>\$ 4,751,754</u>

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

Changes in endowment net assets for the fiscal year ended June 30:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,671,484	\$ 80,270	\$ 4,751,754
Investment return:			
Investment income	56,820	-	56,820
Net depreciation (realized and unrealized)	(877,933)	(11,261)	(889,194)
Total investment return	(821,113)	(11,261)	(832,374)
Transfers to create board-designated endowment funds	2,000,000	-	2,000,000
Endowment net assets, end of year	<u>\$ 5,850,371</u>	<u>\$ 69,009</u>	<u>\$ 5,919,380</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net asset, beginning of year	\$ 2,308,985	\$ 79,125	\$ 2,388,110
Investment return:			
Investment income	19,663	-	19,663
Net appreciation (realized and unrealized)	681,467	1,145	682,612
Total investment return	701,130	1,145	702,275
Transfers to create board-designated endowment funds	1,661,369	-	1,661,369
Endowment net assets, end of year	<u>\$ 4,671,484</u>	<u>\$ 80,270</u>	<u>\$ 4,751,754</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature total \$11,261 as of June 30, 2022. These deficiencies resulted from unfavorable market fluctuations that occurred during the year. There were no appropriations from these funds during the year ended June 30, 2022. There were no deficiencies in endowment funds as of June 30, 2021.

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve principle with emphasis on growth and income necessary to supplement the ongoing needs of the Foundation. The investment objective is to earn a total return, net of expenses, at least equal to a moderately aggressive portfolio market benchmark. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The spending policy dictates that the Foundation may distribute a target amount, up to 4% of the weighted-average market value (over the past 36-month period) of the funds without donor restrictions annually. The distribution of assets shall occur in June based upon the calculated weighted-average balance of the previous December 31. In establishing this policy, the Foundation considered the long-term expected rate of return on its endowment. The Foundation has a policy that spending should be adjusted downward if endowment funds with donor restrictions fall below their original principal value.

14. Operating Leases

The Foundation leases space for a transmitting antenna and associated equipment to transmit its broadcasting signal in digital format. This is a noncancelable operating lease agreement scheduled through June 30, 2029 at variable future minimum monthly lease payments. Beginning in 2003, payments increased based upon the U.S. Department of Commerce's National Consumer Price Index for all urban consumer U.S. city averages. Rental payments for the years ended June 30, 2022 and 2021 were \$14,731 and \$14,143, per month, respectively.

The Foundation also leases other miscellaneous equipment. Monthly payments on these leases range from \$180 to \$1,263 with various expiration dates through 2027.

Future minimum payments under these leases with initial or remaining terms of one year or more are as follow:

	<u>Amount</u>
Years Ended June 30,	
2023	\$ 222,754
2024	211,079
2025	209,058
2026	194,120
2027	193,164
Thereafter	<u>382,750</u>
Total	<u>\$ 1,412,925</u>

Detroit Educational Television Foundation

Notes to Financial Statements
June 30, 2022 and 2021

Rent expense was approximately \$226,000 and \$220,000 for the years ended June 30, 2022 and 2021, respectively.

15. Pension Costs

The Foundation has a defined contribution retirement plan covering substantially all full-time employees and part-time employees who meet the qualification criteria. In 2022 and 2021, the Foundation contributed 1% of each participating employee's annual compensation and in addition, each year, a one-time discretionary bonus contribution of 4% of each eligible participating employee's bi-annual compensation was contributed.

Certain employees also participate in a pension plan administered by the Directors Guild of America (DGA). The Foundation contributed 7% of each participating employee's compensation.

The Foundation contributed approximately \$168,000 and \$150,000 to the two plans during June 30, 2022 and 2021, respectively.

16. Liquidity and Availability of Resources

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure, that is, without donor or other restrictions limiting their use, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,467,448	\$ 7,830,015
Investments	6,806,249	5,772,104
Current accounts and pledges receivable	2,973,396	1,792,590
Less Board-designated quasi-endowment	(5,850,371)	(4,671,484)
Net assets with donor restrictions	<u>(4,126,206)</u>	<u>(2,097,324)</u>
Total	<u>\$ 6,270,516</u>	<u>\$ 8,625,901</u>

The Foundation regularly monitors liquidity required to meet its operating needs and other obligations as they come due while also striving to maximize the investment return of available funds. To help manage liquidity needs, the Foundation has an available line of credit in the amount of \$1,100,000, as detailed in Note 11. Additionally, funds could be made available from the Board-designated quasi-endowment (with board approval) if necessary.

17. Concentrations

The Foundation maintains cash balances in one institution which exceeds the federally insured limit of \$250,000. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

Detroit Educational Television Foundation

Statements of Financial Position by Broadcasting Entity

June 30, 2022 with Comparative Totals for 2021

	WTVS	WRCJ	Total	
			2022	2021
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,029,536	\$ 4,437,912	\$ 6,467,448	\$ 7,830,015
Investments	6,806,249	-	6,806,249	5,772,104
Trade accounts receivable	(348,544)	1,108,399	759,855	558,592
Pledges receivable, net	2,135,206	78,335	2,213,541	1,233,998
Inventory	29,753	-	29,753	53,251
Prepaid expenses and other assets	725,199	20,759	745,958	645,673
Total current assets	11,377,399	5,645,405	17,022,804	16,093,633
Pledges receivable, long-term, net	915,680	47,858	963,538	220,663
Other assets, long-term, net	-	707,565	707,565	836,956
Property and equipment	13,596,453	176,830	13,773,283	14,204,848
Total assets	<u>\$ 25,889,532</u>	<u>\$ 6,577,658</u>	<u>\$ 32,467,190</u>	<u>\$ 31,356,100</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 807,810	\$ 41,880	\$ 849,690	\$ 827,340
Accrued liabilities and other	1,250,775	38,920	1,289,695	1,388,621
Current portion of transmitter deferred reimbursement	259,143	-	259,143	259,143
Current portion of equipment liability	-	35,366	35,366	35,366
Current portion of long-term debt	1,702,500	-	1,702,500	151,333
Current portion of long-term liabilities	-	150,000	150,000	150,000
Total current liabilities	4,020,228	266,166	4,286,394	2,811,803
Long-Term Liabilities				
Long-term debt	-	-	-	1,702,500
Equipment liability	-	141,464	141,464	176,829
Transmitter deferred reimbursement	1,763,402	-	1,763,402	2,022,546
Other long-term liabilities, net	-	557,565	557,565	686,956
Total liabilities	<u>5,783,630</u>	<u>965,195</u>	<u>6,748,825</u>	<u>7,400,634</u>
Net Assets				
Without donor restrictions	16,054,696	5,537,463	21,592,159	21,858,142
With donor restrictions	4,051,206	75,000	4,126,206	2,097,324
Total net assets	<u>20,105,902</u>	<u>5,612,463</u>	<u>25,718,365</u>	<u>23,955,466</u>
Total liabilities and net assets	<u>\$ 25,889,532</u>	<u>\$ 6,577,658</u>	<u>\$ 32,467,190</u>	<u>\$ 31,356,100</u>

Detroit Educational Television Foundation

Statements of Activities by Broadcasting Entity

Year Ended June 30, 2022 with Comparative Totals for 2021

	WTVS	WRCJ	Total	
			2022	2021
Changes in Net Assets without Donor Restrictions				
Revenue, gains and other support:				
Individual contributions	\$ 8,382,045	\$ 2,053,664	\$ 10,435,709	\$ 9,671,156
Production of local and national programs	2,906,788	-	2,906,788	1,939,030
Corporation for Public Broadcasting grants	1,903,502	126,383	2,029,885	2,773,952
Federal and state government grants	1,872,127	-	1,872,127	2,997,256
Corporate contributions	876,651	224,595	1,101,246	1,560,152
Foundation contributions	252,699	7,978	260,677	430,131
Facilities rental	399,967	-	399,967	750,926
Retail product sales	94,293	-	94,293	102,344
Investment income (loss), net	(906,028)	(4,406)	(910,434)	859,186
Miscellaneous	318,698	35,366	354,064	802,652
Paycheck Protection Program contribution	-	-	-	521,623
Net assets released from restrictions	1,803,123	40,000	1,843,123	1,478,657
Total revenue, gains other support	<u>17,903,865</u>	<u>2,483,580</u>	<u>20,387,445</u>	<u>23,887,065</u>
Expenses				
Program services:				
Engagement and outreach	1,358,533	95,101	1,453,634	1,188,621
Production and content creation	6,456,452	-	6,456,452	5,203,899
Broadcast	4,989,485	1,001,541	5,991,026	5,773,029
Total program services	<u>12,804,470</u>	<u>1,096,642</u>	<u>13,901,112</u>	<u>12,165,549</u>
Support services				
Administrative and general	2,110,352	262,381	2,372,733	2,366,130
Fundraising	3,995,702	383,881	4,379,583	4,097,536
Total expenses	<u>18,910,524</u>	<u>1,742,904</u>	<u>20,653,428</u>	<u>18,629,215</u>
Increase in Net Assets without Donor Restrictions	(1,006,659)	740,676	(265,983)	5,257,850
Changes in Net Assets with Donor Restrictions				
Contributions, programming and grants	3,808,266	75,000	3,883,266	1,413,120
Investment income, net	(11,261)	-	(11,261)	1,145
Net assets released from restrictions	<u>(1,803,123)</u>	<u>(40,000)</u>	<u>(1,843,123)</u>	<u>(1,478,657)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>1,993,882</u>	<u>35,000</u>	<u>2,028,882</u>	<u>(64,392)</u>
Change in net assets	987,223	775,676	1,762,899	5,193,458
Net Assets, Beginning	<u>19,118,679</u>	<u>4,836,787</u>	<u>23,955,466</u>	<u>18,762,008</u>
Net Assets, Ending	<u>\$ 20,105,902</u>	<u>\$ 5,612,463</u>	<u>\$ 25,718,365</u>	<u>\$ 23,955,466</u>