

Financial Statements

**FORT WAYNE PUBLIC TELEVISION, INC.**

*Years ended September 30, 2024 and 2023  
with Independent Auditor's Report*

Fort Wayne Public Television, Inc.

Financial Statements

Years ended September 30, 2024 and 2023

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## Independent Auditor's Report

The Board of Directors  
Fort Wayne Public Television, Inc.

### **Opinion**

We have audited the accompanying financial statements of Fort Wayne Public Television, Inc. which comprise the statements of financial position as of September 30, 2024 and 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fort Wayne Public Television, Inc. as of September 30, 2024 and 2023, 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.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Fort Wayne Public Television, Inc.'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 Fort Wayne Public Television, Inc.'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.

*Haines, Lemberger & Skiba, LLC*

October 23, 2024

Fort Wayne Public Television, Inc.

Statements of Financial Position

	September 30	
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 775,524	\$ 1,144,453
Certificates of deposit	850,183	414,097
Accounts receivable, less allowance of \$1,185 in 2024 and \$1,500 in 2023	41,117	56,747
Grants and contributions receivable	186,092	115,163
Prepaid expenses	123,872	101,496
Total current assets	1,976,788	1,831,956
Property and equipment:		
Land	19,073	19,073
Buildings and improvements	3,748,999	3,748,999
Tower, transmitters and other equipment	5,406,179	5,436,490
Office equipment	315,499	403,961
Vehicles	81,213	81,213
	9,570,963	9,689,736
Less accumulated depreciation	7,133,730	7,015,091
	2,437,233	2,674,645
Right of use assets—operating	11,567	17,005
Investments	46,482	257,916
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	27,116	23,434
Total assets	\$ 4,499,186	\$ 4,804,956
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 27,662	\$ 22,072
Accrued expenses and other current liabilities	154,050	139,182
Lease liability—operating, current portion	5,901	5,901
Total current liabilities	187,613	167,155
Lease liability—operating, less current portion	5,666	11,104
Net assets:		
Without donor restriction:		
Undesignated	4,025,542	4,422,685
Board designated	149,967	162,370
	4,175,509	4,585,055
With donor restrictions	130,398	41,642
Total net assets	4,305,907	4,626,697
Total liabilities and net assets	\$ 4,499,186	\$ 4,804,956

*See accompanying notes.*

Fort Wayne Public Television, Inc.

Statements of Activities and Changes in Net Assets

	Year ended September 30					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Changes in net assets</b>						
Support, revenues and gains:						
Contributions	\$ 953,681	\$ 239,468	\$ 1,193,149	\$ 993,467	\$ 31,400	\$ 1,024,867
Grants:						
Corporation for Public Broadcasting	939,555	-	939,555	883,023	-	883,023
Indiana Department of Education	400,643	-	400,643	400,643	-	400,643
Program and production revenue	300,652	-	300,652	370,792	-	370,792
Contributed goods and services	124,819	-	124,819	116,846	-	116,846
Tower and facility rent	230,515	-	230,515	227,410	-	227,410
Interest income	43,351	-	43,351	38,998	-	38,998
Net investment return	5,255	-	5,255	2,234	-	2,234
Change in beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	4,584	-	4,584	2,463	-	2,463
Other	41,440	-	41,440	27,679	-	27,679
Net assets released from restrictions	150,712	(150,712)	-	246,529	(246,529)	-
<b>Total support, revenues and gains</b>	<b>3,195,207</b>	<b>88,756</b>	<b>3,283,963</b>	<b>3,310,084</b>	<b>(215,129)</b>	<b>3,094,955</b>
Expenses:						
Program services:						
Broadcast	477,409	-	477,409	445,692	-	445,692
Production	738,646	-	738,646	639,971	-	639,971
Program information and outreach	163,586	-	163,586	138,676	-	138,676
Programming	943,084	-	943,084	919,638	-	919,638
Studio 39	18,437	-	18,437	24,093	-	24,093
<b>Total program expenses</b>	<b>2,341,162</b>	<b>-</b>	<b>2,341,162</b>	<b>2,168,070</b>	<b>-</b>	<b>2,168,070</b>
Support services:						
Fundraising and development	686,222	-	686,222	631,939	-	631,939
Management and general	577,369	-	577,369	503,031	-	503,031
<b>Total expenses</b>	<b>3,604,753</b>	<b>-</b>	<b>3,604,753</b>	<b>3,303,040</b>	<b>-</b>	<b>3,303,040</b>
<b>Increase (decrease) in net assets</b>	<b>(409,546)</b>	<b>88,756</b>	<b>(320,790)</b>	<b>7,044</b>	<b>(215,129)</b>	<b>(208,085)</b>
Net assets at beginning of year	4,585,055	41,642	4,626,697	4,578,011	256,771	4,834,782
<b>Net assets at end of year</b>	<b>\$ 4,175,509</b>	<b>\$ 130,398</b>	<b>\$ 4,305,907</b>	<b>\$ 4,585,055</b>	<b>\$ 41,642</b>	<b>\$ 4,626,697</b>

See accompanying notes.

Fort Wayne Public Television, Inc.

Statement of Functional Expenses

Year ended September 30, 2024

	Program Services					Support Services			
	Broadcast	Production	Program and Outreach Information	Programming	Studio 39	Total Program Services	Fundraising and Development	Management and General	Total
<b>Personnel costs</b>									
Salaries and wages	\$ 84,283	\$ 362,036	\$ 59,957	\$ 209,292	\$ 7,726	\$ 723,294	\$ 321,152	\$ 279,263	\$ 1,323,709
Payroll taxes	5,592	25,861	4,507	15,168	548	51,676	25,846	21,947	99,469
Insurance—health/life/LTD	5,628	30,106	6,597	22,300	-	64,631	37,366	20,094	122,091
Commissions	-	13,214	-	26,064	297	39,575	7,904	-	47,479
Other	2,633	9,172	1,845	3,658	-	17,308	11,127	31,863	60,298
	<u>98,136</u>	<u>440,389</u>	<u>72,906</u>	<u>276,482</u>	<u>8,571</u>	<u>896,484</u>	<u>403,395</u>	<u>353,167</u>	<u>1,653,046</u>
<b>Development and fundraising</b>									
Premium supplies	-	-	-	-	-	-	21,110	-	21,110
Credit card processing fees	-	-	-	-	-	-	23,582	-	23,582
Member cards	-	-	-	-	-	-	5,251	-	5,251
Other	-	-	-	-	-	-	53,030	-	53,030
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,973</u>	<u>-</u>	<u>102,973</u>
<b>Facilities and equipment</b>									
Utilities	78,672	41,325	7,810	8,925	-	136,732	29,013	70,618	236,363
Leased land	6,718	20,712	3,919	4,478	-	35,827	14,555	5,598	55,980
Leased equipment	-	-	-	-	-	-	-	5,172	5,172
Maintenance	30,758	31,526	4,634	24,351	9,856	101,125	24,758	23,020	148,903
	<u>116,148</u>	<u>93,563</u>	<u>16,363</u>	<u>37,754</u>	<u>9,856</u>	<u>273,684</u>	<u>68,326</u>	<u>104,408</u>	<u>446,418</u>
<b>Other production costs</b>	-	25,560	-	-	-	25,560	-	-	25,560
<b>Programming</b>									
PBS National Program Service	-	-	-	508,849	-	508,849	-	-	508,849
Programming—other syndication	-	-	-	52,234	-	52,234	-	-	52,234
	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,083</u>	<u>-</u>	<u>561,083</u>	<u>-</u>	<u>-</u>	<u>561,083</u>
<b>Promotion and outreach</b>	-	-	32,654	-	-	32,654	12,241	-	44,895
<b>General and administrative</b>									
Software maintenance/upgrades	30,669	49,183	1,003	11,730	-	92,585	23,696	9,223	125,504
Membership/dues/subscriptions	189	1,567	51	46,829	-	48,636	552	27,150	76,338
Liability insurance	-	-	-	-	-	-	-	8,235	8,235
Other	2,291	7,848	36,604	5,218	10	51,971	63,144	71,230	186,345
	<u>33,149</u>	<u>58,598</u>	<u>37,658</u>	<u>63,777</u>	<u>10</u>	<u>193,192</u>	<u>87,392</u>	<u>115,838</u>	<u>396,422</u>
Depreciation	229,976	120,536	4,005	3,988	-	358,505	11,895	3,956	374,356
Total expenses	<u>\$ 477,409</u>	<u>\$ 738,646</u>	<u>\$ 163,586</u>	<u>\$ 943,084</u>	<u>\$ 18,437</u>	<u>\$ 2,341,162</u>	<u>\$ 686,222</u>	<u>\$ 577,369</u>	<u>\$ 3,604,753</u>

See accompanying notes.

Fort Wayne Public Television, Inc.

Statement of Functional Expenses

Year ended September 30, 2023

	Program Services						Support Services		
	Broadcast	Production	Program Information and Outreach Programming		Studio 39	Total Program Services	Fundraising and Development	Management and General	Total
<b>Personnel costs</b>									
Salaries and wages	\$ 81,767	\$ 298,350	\$ 56,595	\$ 180,378	\$ 12,617	\$ 629,707	\$ 280,869	\$ 231,464	\$ 1,142,040
Payroll taxes	5,388	20,697	3,995	13,160	900	44,140	22,709	16,862	83,711
Insurance—health/life/LTD	6,769	23,984	6,792	17,959	-	55,504	30,433	3,581	89,518
Commissions	-	13,869	-	24,763	1,120	39,752	7,247	-	46,999
Other	2,533	4,398	1,694	3,633	-	12,258	14,625	10,018	36,901
	96,457	361,298	69,076	239,893	14,637	781,361	355,883	261,925	1,399,169
<b>Development and fundraising</b>									
Premium supplies	-	-	-	-	-	-	23,251	-	23,251
Credit card processing fees	-	-	-	-	-	-	20,344	-	20,344
Member cards	-	-	-	-	-	-	5,429	-	5,429
Other	-	-	-	-	-	-	49,755	-	49,755
	-	-	-	-	-	-	98,779	-	98,779
<b>Facilities and equipment</b>									
Utilities	70,366	40,196	7,605	8,691	-	126,858	28,246	72,578	227,682
Leased land	6,718	20,712	3,919	4,478	-	35,827	14,555	5,598	55,980
Leased equipment	-	-	-	-	-	-	-	5,172	5,172
Maintenance	21,993	24,257	2,433	22,123	8,913	79,719	25,205	31,019	135,943
	99,077	85,165	13,957	35,292	8,913	242,404	68,006	114,367	424,777
<b>Other production costs</b>	-	18,472	-	-	313	18,785	-	-	18,785
<b>Programming</b>									
PBS National Program Service	-	-	-	514,028	-	514,028	-	-	514,028
Programming—other syndication	-	-	-	59,590	-	59,590	-	-	59,590
	-	-	-	573,618	-	573,618	-	-	573,618
<b>Promotion and outreach</b>	-	-	19,678	-	-	19,678	18,304	-	37,982
<b>General and administrative</b>									
Software maintenance/upgrades	15,775	45,616	2,001	14,480	-	77,872	23,951	8,089	109,912
Membership/dues/subscriptions	373	2,105	38	47,332	-	49,848	2,922	30,222	82,992
Liability insurance	-	-	-	-	-	-	-	8,762	8,762
Other	1,966	6,166	29,817	4,913	230	43,092	51,766	75,556	170,414
	18,114	53,887	31,856	66,725	230	170,812	78,639	122,629	372,080
Depreciation	232,044	121,149	4,109	4,110	-	361,412	12,328	4,110	377,850
Total expenses	\$ 445,692	\$ 639,971	\$ 138,676	\$ 919,638	\$ 24,093	\$ 2,168,070	\$ 631,939	\$ 503,031	\$ 3,303,040

See accompanying notes.



Fort Wayne Public Television, Inc.

Statements of Cash Flows

	<b>Year ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Decrease in net assets	\$ (320,790)	\$ (208,085)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	374,356	377,850
Net realized and unrealized gain on investments	(4,901)	(2,092)
Loss on disposal of property and equipment	1,148	2,297
Change in value of beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	(4,584)	(2,463)
Changes in operating assets and liabilities:		
Accounts receivable	15,630	5,593
Grants and contributions receivable	(70,929)	(3,725)
Prepaid expenses	(22,376)	17,778
Accounts payable	5,590	(181,259)
Accrued expenses and other current liabilities	14,868	(14,485)
Net cash used in operating activities	(11,988)	(8,591)
<b>Investing activities</b>		
Purchases of investments	-	(157,926)
Proceeds from sale and maturities of investments	217,237	-
Purchases of certificates of deposit	(436,086)	(414,514)
Purchases of property and equipment	(138,092)	(70,636)
Net cash used in investing activities	(356,941)	(643,076)
Decrease in cash and cash equivalents	(368,929)	(651,667)
Cash and cash equivalents at beginning of year	1,144,453	1,796,120
Cash and cash equivalents at end of year	\$ 775,524	\$ 1,144,453

*See accompanying notes.*

# Fort Wayne Public Television, Inc.

## Notes to Financial Statements

September 30, 2024

### 1. Organization

For nearly 50 years, Fort Wayne Public Television, Inc. (PBS Fort Wayne) has been the only public television station in northeast Indiana and remains the only locally owned and operated full power television service in the region. Digital technology provides PBS Fort Wayne the ability to align its mission with programming across five broadcast channels that reach more than 800,000 persons in 11 northeast Indiana and three northwest Ohio counties. This highly rural area includes 6.8 percent of persons who live below the poverty level. To its varied audiences, PBS Fort Wayne is a free, over the air broadcast service, including closed captioning broadcasts for the hearing impaired, descriptive video service for the sight impaired and carriage of Allen County Public Library's Audio Reading service on a secondary audio channel of PBS Fort Wayne Explore (39-4).

In addition to the station's main HD channel (39-1), viewers can receive PBS Fort Wayne Kids (39-2), a 24-hour free service dedicated to quality, non-commercial, educational children's programming. Beyond broadcast, PBS Fort Wayne Kids streams live online for children and families to watch on a variety of devices over the free PBS Fort Wayne mobile app. PBS Fort Wayne Create (39-3) offers a national schedule of "How To..." and travel programs. PBS Fort Wayne Explore (39-4) airs local and Indiana-centric programs, international news, public affairs and the best of PBS Fort Wayne. PBS Fort Wayne WX (39.5) provides continuous near real-time (within 30-seconds) National Weather Service Doppler weather radar, weather warnings and NWS audio.

PBS Fort Wayne is a 501(c)(3), non-profit, tax-exempt organization chartered by the state of Indiana and licensed by the Federal Communications Commission (FCC) to operate as a non-commercial educational public television station. PBS Fort Wayne *enriches the community through engaging content* (mission statement). As a trusted community partner, PBS Fort Wayne will be a primary focal point for the advancement of arts and culture, history, education, and quality of life that creates *a curious, inspired, and engaged community* (vision statement).

PBS Fort Wayne is organized as a community licensee and is governed by a 23-member board of directors. An 11-member community advisory board meets quarterly. PBS Fort Wayne is staffed by 21 full-time and 14 part-time employees. The station has a budget of \$3.3 million, of which 67 percent is provided through community support (including more than 5,000 donors). PBS Fort Wayne is a member of the Public Broadcasting Service, the Indiana Broadcasters Association, Indiana Public Broadcasting Stations, and Greater Fort Wayne. Station information, videos and streaming are available through PBS Fort Wayne's website, [pbsfortwayne.org](http://pbsfortwayne.org).

## Fort Wayne Public Television, Inc.

### Notes to Financial Statements (continued)

#### **1. Organization (continued)**

PBS Fort Wayne is a community collaborator, partnering with area organizations to create new opportunities for sharing cultural performances and civic engagement experiences with regional audiences. Meeting the broad range of needs and interests of the community is the heart of PBS Fort Wayne's mission. Public service is achieved, and public trust is earned as PBS Fort Wayne continues to deliver significant programming and services and as the community values the station for its responsiveness and relevance.

PBS Fort Wayne is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contributions deduction. PBS Fort Wayne has been classified as an organization that is not a private foundation under the provisions of Section 509(a)(1) of the Internal Revenue Code. PBS Fort Wayne is also exempt from state income taxes.

PBS Fort Wayne provides liabilities for uncertain income tax positions when a liability is probable and estimable. Management believes that it has appropriate support for any tax positions it has taken or expects to take and as such, does not have any uncertain tax positions that should be recognized, measured or disclosed in the financial statements. Management also believes PBS Fort Wayne is no longer subject to examination by tax authorities for years prior to September 30, 2021.

#### **2. Summary of Significant Accounting Policies**

##### **Cash and Cash Equivalents**

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. All cash and cash equivalents are held at local financial institutions. PBS Fort Wayne periodically has cash and cash equivalents in excess of federally insured limits.

##### **Accounts Receivable**

Accounts receivable are stated at the amount billed to underwriters and other supporters. PBS Fort Wayne provides an allowance for credit losses on its accounts receivable based on relevant available information relating to past events, current conditions and reasonable and supportable forecasts. When specific accounts are deemed uncollectible, in whole or in part, such amounts are removed from the accounts although collection efforts may continue.

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Costs Incurred for Programs Not Yet Broadcast**

Costs incurred for programs not yet broadcast relate to programs produced and purchased by PBS Fort Wayne that will be broadcast in subsequent periods. These costs are included in prepaid expenses and were \$23,893 and \$21,934 at September 30, 2024 and 2023, respectively.

**Property and Equipment**

Property and equipment are stated at cost or if donated, at fair market value at date of donation, except for property and equipment that have been impaired. For impaired assets, the carrying amount is reduced to the estimated fair market value. There were no impaired property or equipment assets as of September 30, 2024 or 2023. Items which cost \$1,000 or more and have a useful life of one year or more are capitalized. Depreciation is computed by the straight-line method over the following estimated useful lives:

Buildings and improvements	5 – 39 years
Tower, transmitters and other equipment	3 – 30 years
Office equipment	5 – 7 years
Vehicles	5 years

Expenses for normal repairs and maintenance are expensed as incurred.

**Leases**

PBS Fort Wayne determines if an arrangement is a lease at contract inception. Arrangements that are leases with an initial term of 12 months or less are not recorded in the statement of financial position, and PBS Fort Wayne recognizes lease expense on a straight-line basis over the lease term. PBS Fort Wayne has elected to not separate lease and non-lease components for all leases; rather, lease and non-lease components are accounted for as a single combined lease component. If leased assets have leasehold improvements, the depreciable life of those leasehold improvements are limited by the expected lease term.

If provided, PBS Fort Wayne uses the implicit discount rate in its lease agreements in determining the present value of the lease payments. If not provided in the lease agreement, PBS Fort Wayne uses a risk-free rate at the lease commencement date.

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, PBS Fort Wayne's investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investments expenses. 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. See *Note 4* for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

Net realized and unrealized investment gains or losses are determined by comparison of asset cost, using the specific identification method, to net proceeds received at the time of sale and changes in the difference between market values and cost, respectively.

PBS Fort Wayne's investment portfolio consists of a diverse mix of investments, without concentration of risk by type, industry or geographic area, which are managed by professional investment managers in compliance with the investment policy established by the Board of Directors. Investments are exposed to various risks, such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments may occur in the near term and that such changes could materially affect account balances.

**Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions*—Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

## Fort Wayne Public Television, Inc.

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Net Assets (continued)**

*Net Assets With Donor Restrictions*—Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been filled or both.

Resources arising from the results of operations or assets set aside by the Board of Directors are not considered to be donor-restricted. During the year ended September 30, 2016, the Board of Directors initiated a program to accumulate funds to be used for future information technology needs. These funds have been included in Board Designated net assets without donor restrictions on the statement of financial position.

##### **Contributions and Grants and Contributions Receivable**

Contributions, including grants, are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. During the year ended September 30, 2024 PBS Fort Wayne received a conditional promise to give of up to \$185,000 for the purchase and installation of equipment for its public alert and warning system. PBS Fort Wayne did not recognize the contribution in its statement of activities as the conditions for recognition had not been met.

Grants and contributions receivable represent unconditional and legally enforceable promises to give and are recorded at the present value of future cash flows. PBS Fort Wayne uses the allowance method to determine uncollectible grants and contributions receivable. The allowance for uncollectible receivables is based on historical collection experience and management's analysis of specific receivables.

Contributions of assets other than cash are recorded at their fair market value. Contributions of services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and typically need to be purchased if not provided by donation.

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Contributions and Grants and Contributions Receivable (continued)**

PBS Fort Wayne generally utilizes donated non-financial assets and services in its programs. The fair market value is determined through appraisal or comparison of similar assets and services. During the years ended September 30, 2024 and 2023, the fair market value of contributed goods and services recognized as revenue and expense in the accompanying statements of activities and changes in net assets were as follows:

	<b>Year ended September 30</b>	
	<b>2024</b>	<b>2022</b>
Land lease	\$ 55,980	\$ 55,980
Program underwriting	57,154	52,178
Kids Club	2,500	5,000
Other	9,185	3,688
	<b>\$ 124,819</b>	<b>\$ 116,846</b>

**Program and Production Revenue**

Revenue for program underwriting is recognized on a pro-rata basis over the period the programming is broadcast. Production revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. PBS Fort Wayne recognizes production revenue when it satisfies a performance obligation. Performance obligations are generally satisfied over time, using an input model.

**Use of Estimates**

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Advertising Expenses**

Advertising costs are charged to operations when incurred. Advertising costs were \$9,393 and \$9,705 for the years ended September 30, 2024 and 2023, respectively.

## Fort Wayne Public Television, Inc.

### Notes to Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

##### Concentration of Credit Risk

PBS Fort Wayne's major sources of recurring operating revenue are the Corporation for Public Broadcasting and the Indiana Department of Education. Revenue from the Corporation for Public Broadcasting was 29 percent and 28 percent of revenue during the years ended September 30, 2024 and 2023, respectively. Revenue from the Indiana Department of Education was 12 percent of revenue and 13 percent of revenue during the years ended September 30, 2024 and 2023, respectively. Other significant sources of revenue include foundations and individual viewers.

##### Functional Expenses

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, office and other expenses, which are allocated on the basis of estimates of time and effort.

##### Recently Adopted Accounting Pronouncement

In June 2016, FASB issued ASU 2016-13, *Financial Instruments—Credit Losses*. ASU 2016-13 represents a significant change in the allowance for credit losses accounting model by requiring immediate recognition of management's estimates of current expected credit losses. Under the prior model, losses were recognized as they were incurred. The new model is applicable to all financial instruments that are not accounted for at fair value through net income. On October 1, 2023, ASU 2016-13 was adopted on a modified-retrospective basis with no cumulative effect adjustment.

##### Reclassifications

Certain balances as of and for the year ended September 30, 2023 were reclassified to conform with 2024 presentation. The reclassifications had no impact on net assets at September 30, 2023.



Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 775,524	\$ 1,144,353
Certificates of deposit	850,183	414,097
Accounts receivable	41,117	56,747
Grants and contributions receivable	186,092	115,163
Investments	46,482	257,499
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	27,116	23,434
Financial assets at year-end	<b>1,926,514</b>	2,019,931
Less board-designated funds for future technology needs	(149,967)	(171,151)
Less donor-imposed restrictions and board-designated funds for endowment	(27,116)	(23,434)
Less donor-imposed restrictions for specific purposes	(116,771)	(28,015)
Financial assets available to meet general expenditure within one year	<b>\$ 1,632,660</b>	\$ 1,797,331

PBS Fort Wayne manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that obligations will be discharged. As part of PBS Fort Wayne's liquidity management plan, excess cash is invested in short-term investments, including certificates of deposit.

PBS Fort Wayne receives grants from the Corporation for Public Broadcasting and the Indiana Department of Education, contributions from donors, program and production revenue and rental income which are available to help meet its cash needs for general expenditures.

Additionally, PBS Fort Wayne has a line of credit of \$ \$200,000, available to meet short-term needs. See *Note 7* for information about this arrangement.

## Fort Wayne Public Television, Inc.

### Notes to Financial Statements (continued)

#### 4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) ASC Topic 820 (ASC 820), *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that PBS Fort Wayne has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

*Money market fund:* Valued at quoted market prices in an exchange and active market, which represent the net asset values (NAV) of shares held by PBS Fort Wayne at year-end.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**4. Fair Value Measurements (continued)**

*U.S. Treasury notes and corporate and other bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities.

*Beneficial interest in funds held by community foundation:* Valued based upon PBS Fort Wayne's proportionate share of the community foundation's pooled investment portfolios, as reported by the community foundation at year-end.

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

The following table sets forth by level, within the fair value hierarchy, PBS Fort Wayne's investments at fair value as of September 30, 2024 and 2023:

	<b>Investments at Fair Value as of September 30, 2024</b>			
	Level 1	Level 2	Level 3	Total
<b>Money market fund</b>	\$ 1,670	\$ -	\$ -	\$ 1,670
<b>Corporate and other bonds</b>	-	44,812	-	44,812
Total investments at fair value	1,670	44,812	-	46,482
<b>Beneficial interest in funds held by community foundation</b>	-	27,116	-	27,116
Total assets at fair value	\$ 1,670	\$ 71,928	\$ -	\$ 73,598

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**4. Fair Value Measurements (continued)**

	<b>Investments at Fair Value as of September 30, 2023</b>			
	Level 1	Level 2	Level 3	Total
<b>Money market fund</b>	\$ 24,612	\$ -	\$ -	\$ 24,612
<b>Common stocks</b>	11,326	-	-	11,326
<b>U.S. Treasury Notes</b>	-	148,958	-	148,958
<b>Corporate and other bonds</b>	-	73,020	-	73,020
Total investments at fair value	35,938	221,978	-	257,916
<b>Beneficial interest in funds held by community foundation</b>	-	23,434	-	23,434
Total assets at fair value	\$ 35,938	\$ 245,412	\$ -	\$ 281,350

**5. Beneficial Interest in Funds Held by the Community Foundation of Greater Fort Wayne Inc.**

The beneficial interest in the funds held and invested by the Community Foundation of Greater Fort Wayne Inc. (Community Foundation) of \$27,116 and \$23,434 at September 30, 2024 and 2023, respectively, is the result of an agreement whereby PBS Fort Wayne has transferred assets to the Community Foundation and has specified itself as the beneficiary of the assets. The beneficial interest in funds held by the Community Foundation is valued at the fair market value of the underlying investments as reported by the Community Foundation at year-end.

Additionally, the Community Foundation holds investment assets with a value of \$35,982 and \$26,441 at September 30, 2024 and 2023, respectively, for the benefit of PBS Fort Wayne. PBS Fort Wayne is precluded from recognizing these assets held by the Community Foundation because the donors explicitly granted variance power to the Community Foundation. Accordingly, PBS Fort Wayne only recognizes annual grants by the Community Foundation from these funds as contributions.

## Fort Wayne Public Television, Inc.

### Notes to Financial Statements (continued)

#### **6. Endowment Funds**

ASC 958, *Not-for-Profit Entities*, requires certain net asset classification changes for institutional endowment funds under Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Indiana General Assembly has adopted UPMIFA. PBS Fort Wayne may hold donor restricted endowment funds where the gift instrument clearly stipulates that it is not to spend the principal or some other portion of the gift, in which case such gift instrument will supersede PBS Fort Wayne's ability to spend the whole fund. PBS Fort Wayne's endowment consists of an individual donor-restricted endowment fund.

#### **Endowment**

PBS Fort Wayne has interpreted the Indiana UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, PBS Fort Wayne retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by PBS Fort Wayne in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, PBS Fort Wayne considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of PBS Fort Wayne 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 (depreciation) of investments.
- Other resources of PBS Fort Wayne.
- The investment policies of PBS Fort Wayne.

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**6. Endowment Funds (continued)**

**Endowment (continued)**

Endowment net asset composition by type of fund as of September 30, 2024 is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds	\$ 13,489	\$ 13,627	\$ 27,116

Changes in endowment net assets for the year ended September 30, 2024 is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds at beginning of year	\$ 9,807	\$ 13,627	\$ 23,434
Net investment return	4,584	-	4,584
Distribution received	(902)	-	(902)
Endowment funds at end of year	\$ 13,489	\$ 13,627	\$ 27,116

Endowment net asset composition by type of fund as of September 30, 2023 is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds	\$ 9,807	\$ 13,627	\$ 23,434

Changes in endowment net assets for the year ended September 30, 2023 is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds at beginning of year	\$ 7,344	\$ 13,627	\$ 20,971
Net investment return	2,463	-	2,463
Endowment funds at end of year	\$ 9,807	\$ 13,627	\$ 23,434

## Fort Wayne Public Television, Inc.

### Notes to Financial Statements (continued)

#### **6. Endowment Funds (continued)**

##### **Endowment (continued)**

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). PBS Fort Wayne has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At September 30, 2024 and 2023, there were no deficiencies in donor restricted endowment funds.

##### **Investment and Spending Policies**

PBS Fort Wayne has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total return through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

PBS Fort Wayne uses an endowment spending-rate formula to determine the maximum amount to spend from the Endowment, including those endowments deemed to be underwater, each year. The rate is determined and adjusted from time to time by the Board of Directors. In establishing this policy, PBS Fort Wayne considered the long-term expected return on the Endowment and set the rate with the objective of maintaining the purchasing power of the Endowment over time.

#### **7. Debt Arrangements**

Pursuant to a line of credit arrangement with a bank, PBS Fort Wayne may borrow up to \$200,000, subject to certain terms and conditions. The line of credit arrangement expires on January 31, 2026. Interest is payable monthly at the bank's prime rate plus 0.75 percent (8.75 percent at September 30, 2024). There were no borrowings pursuant to this line of credit arrangement at September 30, 2024 and 2023.

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**7. Debt Arrangements (continued)**

Pursuant to a second revolving line of credit arrangement with a bank, PBS Fort Wayne could borrow up to \$500,000, subject to certain terms and conditions. The line of credit arrangement expired on April 1, 2024.

Substantially all of PBS Fort Wayne’s receivables, equipment and certain other assets are pledged as collateral pursuant to the terms of the loan agreements.

**8. Net Assets**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Subject to expenditure for specified purpose:		
Empowering Community Connections	\$ 28,015	\$ 28,015
Lighting	42,726	-
Summit City Sessions	26,030	-
Elections and Civic Engagement	20,000	-
	<u>116,771</u>	28,015
Subject to PBS Fort Wayne endowment spending policy and appropriation—Any activity of PBS Fort Wayne	<u>13,627</u>	13,627
	<u>\$ 130,398</u>	<u>\$ 41,642</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors were \$150,712 and \$246,529 for the years ended September 31, 2024 and 2023, respectively.

**9. Employee Benefit Plan**

PBS Fort Wayne maintains a defined contribution benefit plan for the benefit of eligible employees. The plan allows for discretionary employer matching contributions. PBS Fort Wayne’s contributions to the plan were \$25,882 and \$21,992 for the year ended September 30, 2024 and 2023, respectively.



Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**10. Leases**

PBS Fort Wayne leases land on the campus of Purdue University Fort Wayne pursuant to an operating lease which expires on October 1, 2051. Pursuant to the lease agreement, annual rent is \$1. The fair market value of the lease was \$55,980 for the years ended September 30, 2024 and 2023, respectively and was recorded as contributed goods and services. PBS Fort Wayne leases office equipment pursuant to an operating lease that expires in 2026. Total lease expense was \$61,152 for the years ended September 30, 2024 and 2023, respectively.

Undiscounted cash flows as of September 30, 2024 pursuant to finance and operating leases that have initial or remaining noncancelable terms in excess of one year were as follows:

Year ended September 30, 2025	\$ 6,012
Year ended September 30, 2026	6,012
Total minimum payments	12,024
Impact of present value discount	(457)
Lease liability	11,567
Less current portion	5,901
	\$ 5,666

The weighted-average remaining lease terms and discount rates as of September 30, 2024 were as follows:

Weighted-average term (years)	2
Weighted-average discount rate	4.09%

**11. Facility and Tower Leases**

PBS Fort Wayne leases space on its tower and in its former facility pursuant to operating leases which expire at various dates through 2042. Future minimum lease receipts as of September 30, 2024 pursuant to operating leases that have initial or remaining noncancelable terms in excess of one year are as follows:

Year ended September 30, 2025	\$ 230,959
Year ended September 30, 2026	237,572
Year ended September 30, 2027	243,153
Year ended September 30, 2028	246,701
Year ended September 30, 2029	210,686
Thereafter	1,516,042
Total minimum payments	\$ 2,685,113

Fort Wayne Public Television, Inc.

Notes to Financial Statements (continued)

**12. Related Party Transactions**

Certain members of the Board of Directors are employed by companies that provide services to PBS Fort Wayne. The fees paid to these companies were based on customary and reasonable rates for such services.

**13. Subsequent Events**

Management has evaluated subsequent events through October 23, 2024, the date on which the financial statements were available to be issued.