



Financial Statements

June 30, 2022

**Northwest Public Broadcasting
Comprised of Northwest Public Radio,
Northwest Public Television
(KWSU/KTNW), KUGR Radio & Cable 8
TV**

(A Public Telecommunication System Operated by Washington
State University)

Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest
Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV
(A Public Communications System Operated by Washington State University)

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Independent Auditor's Report

Kirk Schultz, President
Washington State University
Pullman, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northwest Public Broadcasting, comprised of Northwest Public Radio, Northwest Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV (a public telecommunications system operated by Washington State University) (NWPB), a department of Washington State University, as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Northwest Public Broadcasting, comprised of Northwest Public Radio, Northwest Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV (a public telecommunications system operated by Washington State University), a department of Washington State University as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 NWPB, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note 1 and Note 12 to the financial statements, NWPB has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the July 1, 2021 balances of right to use assets, lease receivable, lease liabilities, and deferred inflow of resources. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1, the financial statements of Northwest Public Broadcasting, comprised of Northwest Public Radio, Northwest Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV (a public telecommunications system operated by Washington State University) of Washington State University are intended to present the financial position, changes in financial position, and cash flows of only that portion of Washington State University that is attributable to the transactions of Northwest Public Broadcasting, comprised of Northwest Public Radio, Northwest Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV (a public telecommunications system operated by Washington State University). They do not purport to, and do not, present fairly the financial position of Washington State University as of June 30, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Correction of an Error

As discussed in Note 13 to the financial statements, certain errors resulting in an understatement of amounts previously reported for unearned revenue and prepaid expenses as of June 30, 2021, were discovered by management during the current year. Accordingly, a restatement has been made to the net position as of June 30, 2021, to correct the error. Our opinion is not modified with respect to that matter.

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 NWPB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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 NWPB'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 NWPB'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the NWPB's basic financial statements. The schedule of revenues, expenses, and changes in net position on a departmental basis and schedule of functional expenses (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Boise, Idaho
February 20, 2023

Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest
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Management's Discussion and Analysis
June 30, 2022

Introduction

The following discussion and analysis provides an overview of the financial position and operations of Northwest Public Broadcasting (NWPB) for the years ended June 30, 2022 (FY22) and 2021 (FY21). This discussion has been prepared by management and should be read in conjunction with NWPB's financial statements and accompanying notes that follow this section.

NWPB is a noncommercial educational radio and television system licensed to Washington State University (WSU) in Pullman, Washington. The NWPB financial statements include the accounts for its nineteen public radio stations, two public television stations, one student run radio station and one student run television station for which broadcast, budget, accounting, and certain grant purposes are separately identified. NWPB does share facilities and personnel; and is a constituent organizational department of The Edward R. Murrow College of Communication at Washington State University.

NWPB includes Northwest Public Radio and Northwest Public Television, but also encompasses and contributes to the academic side of the college by hosting the student-run broadcasting stations of KUGR Radio and Cable 8 TV. The vision of NWPB is a "teaching hospital" model that gives students a hands-on role while being mentored and supervised by professionals. NWPB is responsible to the FCC, WSU and our communities for the quality and consistency of the programming while accomplishing our public educational and outreach mission.

These financial statements present only the above-described portion of the activities of WSU and are not intended to represent the financial position, results of operations, or changes in net position of the Murrow College of Communication nor the University taken as a whole. WSU is a public university in the State of Washington, governed by a ten-member Board of Regents appointed by the State Governor. The complete financial statements of WSU are found at <http://genacct.wsu.edu/finstat.html>.

Financial Highlights

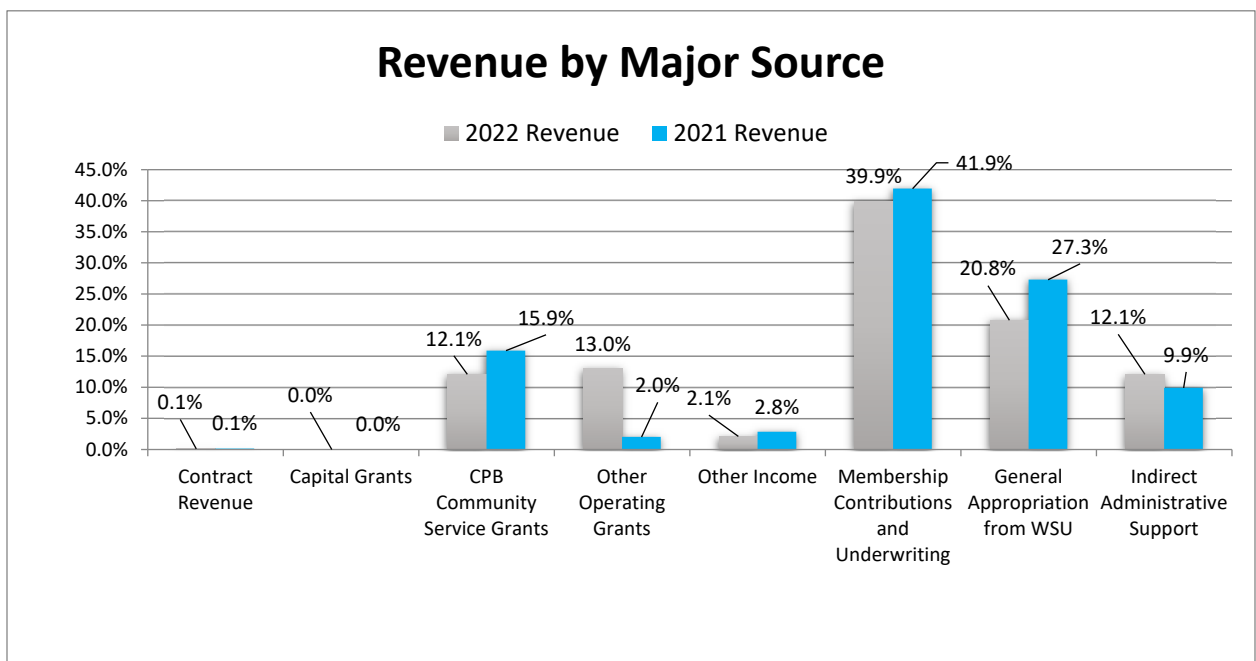
Beginning in July of 2021, NWPB was subject to new accounting requirements under the GASB 87 rule for reporting leases. These new requirements resulted in significant variances in several budget areas that will be noted below.

NWPB's financial position levels for the current year ending June 30, 2022, showed increase from FY21 levels:

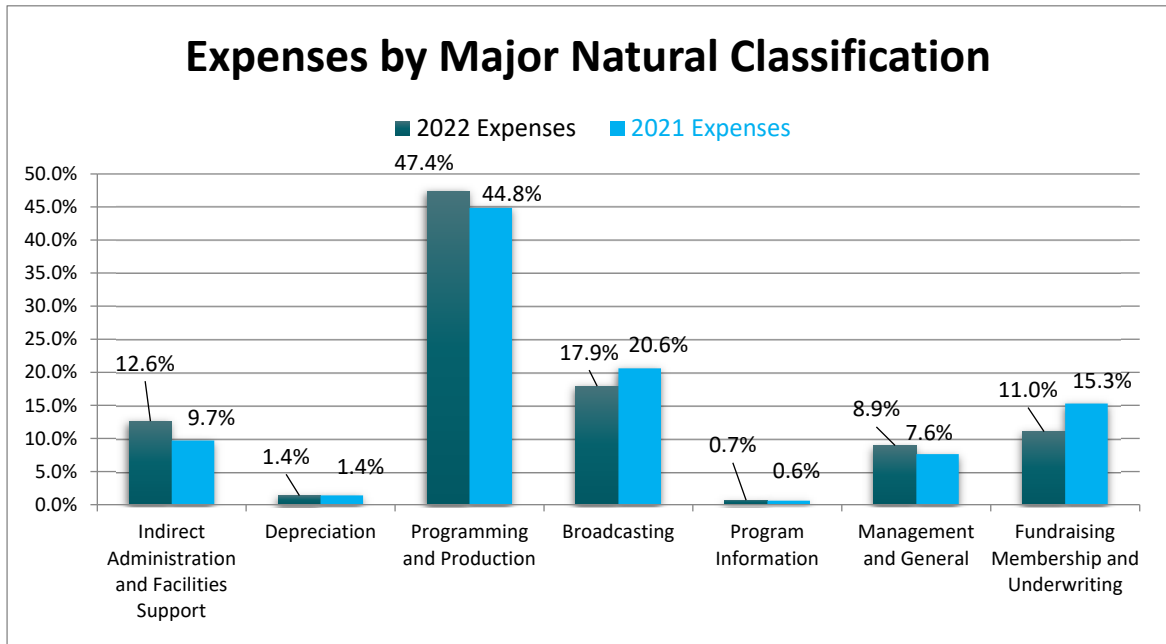
- Total net position increased by \$1.1 million. Funds from the American Rescue Plan Stabilization Act for COVID expense mitigation (\$668 thousand). Also, contributing to the revenues was funding through the Federal Communication Commission for mitigation of required C-Band Earth Station repack expenses (\$116 thousand), as well as substantial grants from the Corporation of Public Broadcasting recognized in the current year, which were unearned in prior year. Operating expenses increased by \$339 thousand as a result of standard payroll increases, along with additional support from WSU.
- Current assets increased by \$540 thousand. This was due to an increase in grants and contracts receivable due to timing of receipt of several large grants.

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- Noncurrent Assets, including capital and right-of-use assets increased by about \$1.5 million, due primarily to implementation of GASB 87.
- Current Liabilities decreased by about \$291 thousand, primarily due to timing of unearned revenue, offset by an increase in current lease liabilities.
- With the implementation of GASB 87, a long term right to use lease liability was added to the statement as long term liabilities totaling \$1.1 million, as well as a deferred inflow of resources of \$83 thousand.
- Revenues from all sources totaled \$8.3 million which was an increase of \$2.5 million from fiscal year 2021. This increase is attributed to gains in donor contribution and program underwriting \$318 thousand, the booking of American Rescue Plan money \$668 thousand, and other various grants recognized as spent in 2022.



- Expenses totaled \$7.2 million, representing an increase of \$339 thousand from fiscal year 2021. Programming and production expenses increased by nearly \$443 thousand as a result studio and programming equipment purchases and facilities upgrades. This increase was somewhat offset by decreases in fundraising expenses.



Presentation of the Financial Statements

NWPB’s financial report includes three primary financial statements: The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These financial statements are prepared in accordance with generally accepted accounting principles and focus on the System as a whole.

Condensed Financial Information and Analysis

Financial Position – Statement of Net Position

The Statement of Net Position is a snapshot of NWPB’s financial position at year end. It lists the assets (economic resources), liabilities (creditors’ claims), deferred inflows of resources, and net position (residual interest in assets after paying creditors) based on end-of-year data.

Assets are classified as current, non-current or capital. Current assets are expected to benefit NWPB within 12 months and include cash, accounts receivable, lease receivables and pre-paid expenses that can easily be converted to cash to meet operating expenses. Non-current assets include long-term lease receivables, licensed program rights, capital equipment and right-of-use assets and with a cost exceeding \$5,000 and having a useful life exceeding one year and items which are small and attractive by the WSU inventory policy (laptop computers and tablets). Capital assets are reported net of accumulated depreciation.

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Liabilities are classified as current or non-current. Current liabilities are claims that are due and payable within 12 months, and include payroll and benefits, amounts payable to suppliers for goods and services received, unearned revenue and lease principal payments due within one year. Non-current liabilities are obligations payable beyond one year. Deferred inflows of resources relates to leases.

Below is a condensed view of the statements of net position as of June 30, 2022 and 2021:

**Table A-1
Statements of Net Position**

	June 30, 2022	Restated* June 30, 2021
Assets		
Current assets	\$ 3,669,023	\$ 3,128,535
Capital and right-of-use assets	1,869,137	329,170
Noncurrent assets	374,228	452,439
Total assets	\$ 5,912,388	\$ 3,910,144
Liabilities		
Current liabilities	\$ 1,711,737	\$ 2,003,072
Noncurrent liabilities	1,072,944	-
Total liabilities	2,784,681	2,003,072
Deferred Inflows of Resources - Leases	83,757	-
Net Position		
Investment in capital assets	580,528	329,170
Restricted	79,583	77,077
Unrestricted	2,383,839	1,500,825
Total net position	3,043,950	1,907,072
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 5,912,388	\$ 3,910,144

* Balances have been restated to show the effects of the restatement described in Note 13
No adjustments have been made to 2021 numbers relating to GASB 87

Statements of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position report NWPB's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as operating, and non-operating or other.

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In general, operating revenues are those received in the form of Community Service grants funded by the Corporation for Public Broadcasting, as well as miscellaneous sales of goods and services. Operating expenses are those costs incurred to provide the staffing, maintenance, and equipment necessary to deliver public radio and television programming to the citizens of the State of Washington and portions of Idaho, Oregon, and British Columbia.

Non-operation revenues are monies received for which goods and services are not provided. These funds include those provided by direct allocation from Washington State University in furtherance of the University's mission, capital equipment grants, as well as contributions made by individual and business donors to sponsor public broadcasting activities.

NWPB had a non-operating revenue increase in 2022 by \$402 thousand over 2021 levels. These revenues are generated by allocations and donated facilities from WSU, capital grants and contributions. General appropriations from WSU decreased by \$188 thousand, while indirect contributions, which are calculated as a percentage of expenses for the fiscal year, increased by \$272 thousand. Contributions and underwriting were up by \$319 thousand over FY21.

Following is a condensed view of the Statement of Revenues, Expenses, and Changes in Net Assets for the fiscal years ended June 30, 2022 and 2021:

Table A-2
Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2022</u>	<u>Restated* June 30, 2021</u>
Operating Revenues	\$ 2,641,740	\$ 566,743
Operating Expenses	<u>7,202,956</u>	<u>6,863,648</u>
Operating Loss	(4,561,216)	(6,296,905)
Nonoperating Revenues	<u>5,698,094</u>	<u>5,296,252</u>
Change in Net Position	1,136,878	(1,000,653)
Net Position, Beginning of Year, as Restated	<u>1,907,072</u>	<u>2,907,725</u>
Net Position, End of Year	<u>\$ 3,043,950</u>	<u>\$ 1,907,072</u>

* Balances have been restated to show the effects of the restatement described in Note 13
No adjustments have been made to 2021 numbers relating to GASB 87

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Capital and Right-of-Use Assets

As of June 30, 2021, NWPB had approximately \$9.6 million invested in capital assets with associated accumulated depreciation and amortization of \$7.7 million for a net investment of \$1.9 million. See Notes 4 and 5 to the financial statements for further discussion.

Long-term Liabilities

Due to implementation of GASB 87, NWPB has recorded lease liabilities, which were \$1,288,955 as of June 30, 2022. See Note 6 to the financial statements for further discussion.

Economic Outlook

NWPB's largest revenue source for the year was donor contributions and underwriting from our communities at 47% of the system's total. It is anticipated this revenue stream will remain relatively stable for several years. Additional support from donors is anticipated as the University kicks off a new fundraising campaign. Underwriting support will continue to decline due to the strained economic situations for businesses, non-profit organizations, and local governments.

Financial and facilities support from WSU constitutes 33% of total revenues. This revenue source may also be impacted in the next few years as the university struggles to maintain funding as state appropriations are cut due to reduced tax revenues. In FY22, university support through state funds allocations was reduced by 7%, of which, 2.5% was permanent. It is anticipated that support will be reduced by 6% from FY22 base levels for the next two to three years.

Non-university and non-Corporation for Public Broadcasting (CPB) grants are anticipated to decrease in 2023 as FCC funding to support spectrum changes. Station leadership will seek new opportunities for funding from private corporations and larger philanthropic organizations. Local/private production grants are becoming more readily available for online programming initiatives. NWPB is also investigating opportunities for increasing income streams from new production and service contracts with university departments and outside businesses and organizations.

CPB Community Service Grants (CSG) made up 16% of the system's revenue in 2022. These monies are awarded based on congressional legislation/allocation of funding to CPB and a CPB distribution formulation. This formula takes into consideration non-federal matching funds generated by the stations through qualifying revenue streams, especially contributions. CSG funding for 2023 will be decrease by \$16 thousand from 2022 levels. Because of anticipated decreases in station generated matching funds, future years could see a decline in Federal dollars. The economic conditions at the national level could also affect the amount of CPB funding in ongoing years.

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Expenses for the coming year are likely to increase based on continuing equipment upgrades, inflation and increased payroll expenses due to salary and benefit adjustments and increased staffing with new positions in the online and content creation areas and an expanded news department. As new equipment is acquired and integrated into our operations, maintenance and repair cost will likely stabilize or decrease. Possible expanded staffing in the development, membership and underwriting will also add to personnel costs, but the added revenue that these positions produce will more than offset the expense. Program acquisition costs are expected to grow in the coming year as program providers increase membership dues and royalty payments for programs. Additional Startup expenses are anticipated as we launch a new community education program for young children in the Tri-Cities area and expand our jazz service into the Wenatchee area on KOMO radio.

NWPB intends to increase collaboration with the College of Communication and the university to create local programming of interest that will draw in more viewers and listeners and expand the donor member rolls and contributions.

Northwest Public Broadcasting continues to receive accolades from viewers and listeners regarding our program services in this difficult time of public stress over concerns of individual and family health and economic hardship. We are relied upon for factual and steady news and music programming. And despite continuing uncertainty, we receive increasing financial support through new and sustaining memberships. Increased community outreach efforts will increase the stations' exposure in the area and contribute to donor cultivation efforts.

Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest
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Statement of Net Position
June 30, 2022

Assets	
Current Assets	
Cash pooled with WSU	\$ 797,475
Accounts receivable	136,291
Contributions/underwriting receivables, less allowance for uncollectible amounts of \$41,748	667,256
Grants and contracts receivable	1,637,359
Lease receivables	15,998
Licensed program rights and other prepaid expenses	414,644
Total current assets	3,669,023
Noncurrent Assets	
Licensed program rights	306,123
Noncurrent lease receivables	68,105
Capital and right-of-use assets	
Equipment	8,073,014
Less accumulated depreciation	(7,503,128)
Right-of-use assets	1,494,600
Less accumulated amortization	(195,349)
Total capital and right-of-use assets	1,869,137
Total noncurrent assets	2,243,365
Total Assets	\$ 5,912,388
Current Liabilities	
Accounts payable	\$ 97,690
Accrued payroll	145,846
Accrued leave liability	283,925
Unearned revenue	968,265
Lease liability	216,011
Total current liabilities	1,711,737
Noncurrent Lease Liability	1,072,944
Total liabilities	2,784,681
Deferred Inflows of Resources - Leases	83,757
Net Position	
Net investment in capital assets	580,528
Restricted	79,583
Unrestricted	2,383,839
Total net position	3,043,950
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 5,912,388

Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest
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Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

Operating Revenues	
Community service grants from the Corporation for Public Broadcasting	\$ 1,436,033
Other operating grants	1,029,886
Other income	<u>175,821</u>
Total operating revenues	<u>2,641,740</u>
Operating Expenses	
Programming and production	3,442,926
Broadcasting	1,317,692
Program information	50,547
Management and general	513,841
Fundraising and membership development	856,899
Indirect administrative and facilities support	921,997
Depreciation	<u>99,054</u>
Total operating expenses	<u>7,202,956</u>
Operating Loss	<u>(4,561,216)</u>
Nonoperating Revenues	
General appropriation from WSU	1,649,757
Donated facilities and administrative support from WSU	921,997
Contributions and underwriting	<u>3,126,340</u>
Total nonoperating revenues	<u>5,698,094</u>
Change In Net Position	1,136,878
Net Position, Beginning of Year, as Restated	<u>1,907,072</u>
Net Position, End of Year	<u><u>\$ 3,043,950</u></u>

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Statement of Cash Flows
Year Ended June 30, 2022

Operating Activities	
Cash received from customers	\$ 185,160
Cash received from operating grants and support from the Corporation for Public Broadcasting	515,747
Cash paid to suppliers	(2,670,473)
Cash paid for employee salaries, wages, and benefits	(3,447,280)
	<u>(5,416,846)</u>
Net Cash used for Operating Activities	
Noncapital and Related Financing Activities	
General appropriation from WSU	1,649,757
Contributions and underwriting	3,140,116
	<u>4,789,873</u>
Net Cash from Noncapital and Related Financing Activities	
Capital and Related Financing Activities	
Acquisition of equipment	(339,770)
Payment of principal on lease liability	(187,637)
Receipt of principal on lease receivable	15,865
	<u>(511,542)</u>
Net Cash used for Capital and Related Financing Activities	
Net Change in Cash	
	(1,138,515)
Cash, Beginning of Year	
	<u>1,935,990</u>
Cash, End of Year	
	<u>\$ 797,475</u>
Reconciliation of Operating Income to Net Cash	
used for Operating Activities	
Operating loss	\$ (4,561,216)
Adjustments to reconcile operating loss to net cash	
used for operating activities	
Depreciation and amortization	278,192
Indirect administrative and facilities support from WSU	921,997
(Increase) Decrease in assets	
Accounts receivable	9,339
Grants and contracts receivable	(1,573,090)
Licensed program rights	29,379
Increase (Decrease) in liabilities	
Accounts payable	(174,579)
Accrued payroll	31,326
Accrued vacation	(1,112)
Unearned revenue	(377,082)
	<u>(377,082)</u>
Net Cash used for Operating Activities	
	<u>\$ (5,416,846)</u>

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Note 1 - Principal Business Activity and Significant Accounting Policies

Nature of Operations

Washington State University Northwest Public Broadcasting (NWPB) is a noncommercial educational radio and television system licensed to Washington State University (WSU) in Pullman, Washington. Its oldest television station, KWSU, has broadcast since 1962 and is a full member of the Public Broadcasting Service, America's Public Television Stations, and the Washington Educational Network. The System's oldest radio station, KWSU, has broadcast since 1922 and is a full member of National Public Radio. NWPB also encompasses from the academic side of the college, the student arm of broadcasting in KUGR Radio and Cable 8 TV.

Financial Reporting Entity

NWPB's financial statements include the accounts of Northwest Public Radio (KWSU- AM/KRFA-FM/KFAE-FM/KNWR-FM/KNWY-FM/KNWO-FM/KNWV-FM/KZAZ-FM/KLWS- FM/KWWS-FM/KNWP-FM/KQWS-FM/KMWS-FM/KSWS-FM/KNWU-FM/KVTI-FM/KHNW-FM/KYVT-FM-/KJEM-FM/KOHO-FM and student operated radio station KUGR), Northwest Public TV (KWSU-TV/KTNW-TV and Cable 8 TV), which for broadcast, budget, accounting, and certain grant purposes are separately identified. However, they share facilities and personnel and are constituent organizational departments of WSU. The vision of NWPB is to enrich our community by sharing and creating distinctive programs which engage, enlighten, and entertain. Additionally, we educate and train students with a "teaching hospital" model, which gives them a hands-on role while being mentored and supervised by professionals. NWPB is responsible to the FCC, WSU, and our communities for the quality and consistency of the programming while accomplishing our public educational and outreach mission.

Financial Statement Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America and follow guidance given by the Governmental Accounting Standards Board (GASB). These financial statements present only a selected portion of the activities of WSU. As such, they are not intended to and do not present the financial position, changes in net position, or cash flows of WSU.

Basis of Accounting

NWPB's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

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Cash Pooled with WSU

Cash on deposit with WSU may include certain investments in highly liquid debt instruments with an original maturity of three months or less. Some cash balances in excess of current requirements are pooled with other WSU funds and commonly invested. Interest income earned on the investment pool is distributed quarterly based on daily cash balances in the various funds. Cash is stated at cost and pooled investments are stated at fair value. Bank deposits are covered by the Federal Deposit Insurance Corporation or by collateral held in multiple financial institution collateral pools administered by the Washington Public Deposit Protection Commission.

Contributions and Underwriting Receivables

NWPB records receivables for membership contributions in the period the contributions are made. NWPB records underwriting receivables as they are recorded per the underwriting agreement. All contributions, program underwriting, and other accounts receivable are unsecured donations. The majority of underwriting receivables are due from underwriters located in Washington. Management determines the allowance for uncollectible accounts using percentages based on historical experience applied to the aging of outstanding accounts. When a contribution is deemed uncollectible, it is generally written off against the donation/revenue during that fiscal year.

Grants and Contracts Receivable

Grants receivable are primarily from granting agencies, are based upon invoices rendered for services provided; and are unsecured. Historical experience has shown that they are rarely uncollectible. Contract receivables are for short-term tower rentals due.

Lease Receivables

Lease receivables are recorded by NWPB as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate NWLB charges the lessee.

Right-of-Use Assets

Right-of-use leased assets are recognized at the lease commencement date and represent the NWPB's right to use an underlying asset for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the same method amortizing the debt. The amortization periods range from 4 to 18 years.

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Capital Assets

Equipment is stated at cost. Consistent with state of Washington policy, NWPB capitalizes equipment that has a cost greater than \$5,000 and an estimated useful life of more than one year as well as items which are small and attractive by the WSU inventory policy. Depreciation is calculated on the straight-line basis over the estimated useful lives of 4 to 15 years depending on the item. Assets acquired using federal grant money are capitalized and depreciated over the estimated useful lives of such assets. Donated capital assets are recorded at acquisition cost at the date of donation. Gains or losses on the sale of property and equipment are included in other income and expense. Expenditures for repairs and maintenance are charged to expense as incurred and do not extend the life of the asset.

Accrued Leave Liability

NWPB employees earn and accumulate annual, compensatory leave, and sick leave, at various rates associated with position classification and longevity. Changes in the university's leave buyout policy in FY21, shifted the liability for paying accrued leave for terminating employees, paid on state funds, to the departments. Permanent NWPB employees are entitled to accrue and accumulate sick leave at the rate of eight hours per month worked. The employee is entitled to either the present value of 25% of his or her unused sick leave balance upon retirement or 25% of his or her net accumulation for the year in which it exceeds 480 hours. Other leave type balances may be paid out at termination of employment based on position classification.

Revenue Recognition

Funds restricted by the donor, granter, or other outside party for particular purposes are deemed to be earned and reported as revenues when NWPB has satisfied all eligibility requirements as defined by GASB. Such amounts received but not yet earned are reported as unearned revenue.

Lease Liabilities

Lease liabilities represent NWPB's obligation to make lease payments arising from its leases. These liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on an implicit borrowing rate determined by NWPB. NWPB has one item that qualifies for reporting in this category related to leases where NWPB is the lessor. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on a straight line basis over the term of the lease.

Deferred Inflow of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

NWPB's net position is classified as follows:

Investment in Capital Assets - This represents NWPB's total investment in capital assets including leased assets, net of depreciation and any outstanding liabilities related to those assets.

Restricted - This represents resources restricted because they are constrained by external parties. Restricted net position includes grant proceeds received but not expended.

Unrestricted - These represent resources derived from operations and investing activities which are available for use as management requires.

When both restricted and unrestricted resources are available for use, it is NWPB's policy to use restricted resources first, then unrestricted resources as they are needed.

Classification of Revenue, Expenses, and Transfers

NWPB has classified its revenue as either operating or nonoperating according to the following criteria:

Operating Revenue and Expense - Operating revenue and expense includes activities that have the characteristics of exchange transactions, such the proceeds from providing broadcast programming.

Nonoperating Revenue and Expense - Nonoperating revenue and expense includes activities that have the characteristics of nonexchange transactions, such as contributions and general appropriations from WSU.

Administrative Support and Facilities Provided by WSU

Administrative support from WSU consists of allocated institutional and physical plant expense incurred by WSU in support of NWPB. Donated supplies and in-kind services are recorded at their estimated value as revenues and expenses in the period they are received. Donated facilities from WSU consist of office and studio space together with related occupancy costs and are recorded as revenues and expenses at values determined using the methodology developed by the Corporation for Public Broadcasting (CPB), and are listed as indirect administrative support.

Licensed Program Rights Not Yet Broadcast

Costs incurred for the majority of programs not yet broadcast relate to licensed program rights and programs acquired by NWPB that are expected to be broadcast subsequent to year-end. These costs are incurred by license date periods or by releases issued.

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Economic Dependence

NWPB is dependent upon funding from the Corporation for Public Broadcasting, WSU, underwriters, and contributors.

Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Revenues, Expenses, and Changes in Net Position. Accordingly, certain costs have been allocated between program and supporting services based upon total direct costs or another systematic basis. A detailed breakdown of spending function is located at the Functional Expense report.

Risk Management

WSU participates in a state of Washington risk management self-insurance program. Premiums to the state are based on actuarially determined projections and include allowances for payments of both outstanding and current liabilities. WSU assumes its potential liability and property losses for all properties except for auxiliary enterprise buildings and contents. WSU has elected to self-insure for unemployment compensation for all employees. NWPB does insure some equipment items located on leased broadcast sites through WSU brokered vendors and department owned vehicles.

Tax Exemption

As a part of WSU, the operations of NWPB are exempt from federal income tax on related income under the provisions of Section 115(a) of the Internal Revenue Code. NWPB is subject to various sales and use taxes.

Estimates

The preparation of 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 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.

Uncertainties

Current macroeconomic uncertainties could affect the financial position of NWPB. Donations from viewers and listeners can follow the decline in economic outlook in the news. University future financial situation is less clear than in the past, and although it is not expected to affect support for NWPB, a decrease in cash support is a risk factor.

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Implementation of GASB Statement No. 87

As of July 1, 2021, NWPB adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 12 and the additional disclosure required by this standard is included in Notes 3, 5, and 6.

Note 2 - Grants and Contracts Receivable

Grants and contracts receivable were as follows at June 30, 2022:

Humanities Washington: Democracy	\$ 10,000
Northwest Public Affairs Network	97,247
Radio CSG	180,621
Radio CSG	65,491
TV USG	798,747
TV Interconnect	14,091
TV USG	471,162
	<u>\$ 1,637,359</u>

Included in the above grant receivable is \$1,530,113 due from Washington State University, which has collected on the above grants, and will remit the payments in fiscal year 2023.

Note 3 - Lease Receivables

NWPB has entered into two lessor agreements for tower and ground space with telecommunications companies. The agreements run through August 2027, with total monthly payments of \$1,386. At June 30, 2022, NWPB had lease receivables relating to these leases of \$84,103, and a deferred inflow of \$84,757, net of accumulated amortization. NWPB uses an interest rate of .83% for these leases. Interest revenue recognized on these leases was \$769 and principal receipts of \$15,865 were recognized during the fiscal year. Amortization of deferred inflow totaled \$16,211 for the year ended June 30, 2022.

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Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2022 is as follows:

	Balance at June 30, 2021	Additions	Transfers/ Disposals	Balance at June 30, 2022
Equipment	\$ 8,667,712	\$ 339,770	\$ (934,468)	\$ 8,073,014
Less Accumulated Depreciation	(8,338,542)	(99,054)	934,468	(7,503,128)
Total	<u>\$ 329,170</u>	<u>\$ 240,716</u>	<u>\$ -</u>	<u>\$ 569,886</u>

Depreciation totaled \$99,054 for the year ended June 30, 2022.

Note 5 - Right-of-Use Assets

Right-of-use asset activity for the year ended June 30, 2022 is as follows:

	Restated Balance at June 30, 2021	Additions	Transfers/ Disposals	Balance at June 30, 2022
Right-of-Use Assets				
Facilities	\$ 637,467	\$ 109,335	\$ -	\$ 746,802
Land	730,995	-	-	730,995
Roads	16,803	-	-	16,803
	1,385,265	109,335	-	1,494,600
Less Accumulated Amortization	-	(195,349)	-	(195,349)
Total	<u>\$ 1,385,265</u>	<u>\$ (86,014)</u>	<u>\$ -</u>	<u>\$ 1,299,251</u>

Amortization totaled \$195,349 for the year ended June 30, 2022.

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Note 6 - Lease Liabilities

NWPB leases sites, office space, and/or facilities to locate equipment necessary to support state-wide transmission of broadcast and microwave signals under various lease agreements that expire between June 30, 2023 and June 30, 2042. During the course of the year, NWPB leases space on twelve third-party towers to accommodate broadcast systems for both radio and television. There is a 3-5% escalator per year on most of the leases. NWPB also maintains leases on two Washington Department of Natural Resources sites where NWPB owned towers are located. We also secure road access to two state owned sites and pay nominal annual fees for maintenance on the roads.

At June 30, 2022, NWPB has recognized lease liabilities relating to these leases. NWPB uses an interest rate ranging from 0.4% to 3%, which is based on NWPB's incremental borrowing rate at the inception of the leases.

Lease liabilities activity for the year ended June 30, 2022 is as follows:

	Restated Balance at July 01, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Lease Liabilities	<u>\$ 1,367,257</u>	<u>\$ 109,335</u>	<u>\$ (187,637)</u>	<u>\$ 1,288,955</u>	<u>\$ 216,011</u>

Future payments on lease liabilities are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2023	\$ 216,011	\$ 22,163	\$ 238,174
2024	227,260	19,509	246,769
2025	179,974	16,751	196,725
2026	123,023	14,300	137,323
2027	100,822	12,362	113,184
2028-2032	287,214	40,095	327,309
2033-2037	145,359	8,345	153,704
2038-2042	9,292	164	9,456
	<u>\$ 1,288,955</u>	<u>\$ 133,689</u>	<u>\$ 1,422,644</u>

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Note 7 - Pension Plans

WSU offers four contributory pension plans: the Washington State Public Employees Retirement System (PERS) plan, the Washington State Teachers Retirement System (TRS), the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF), cost sharing multiple-employer defined benefit pension plans administered by the State of Washington Department of Retirement Services, and the Washington State University Retirement Plan (WSURP), a defined contribution pension plan with a supplemental payment to beneficiaries when required. The NWPB has employees in three of these plans: PERS, TRS and WSURP.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the above plans has been determined on the same basis as reported by Washington Department of Retirement Services (DRS) and the Washington State University Retirement Plan (WSURP).

The NWPB's contribution rates and contributions for the above retirement plans for the year ended June 30, 2022 are as follows:

	Contributions
PERS	\$ 78,527
TRS	7,470
WSURP	89,227
	Contribution Rates
	2022
PERS	WSU
Plan 1	10.25%
Plan 2	10.25%
Plan 3	10.25%
TRS	
Plan 1	14.42%
Plan 2	14.42%
Plan 3	14.42%
WSURP	
Plan 1	5.00%
Plan 2	7.50%
Plan 3	10.00%

An actuarial valuation of the plans for NWPS as an entity is not available. WSU issues a publicly available financial report that includes a pension note and required supplementary information regarding GASB 68.

Since the University's proportionate share is not broken down to the WSU department level, the pension liability, deferred inflows and deferred outflows, and pension expense are not recorded on the NWPS financial statements.

PERS, TRS, and LEOFF

Plan Description

PERS Plan 1 provides retirement and disability benefits and minimum benefit increases beginning at age 66 to eligible nonacademic plan members hired prior to October 1, 1977. PERS Plans 2 and 3 provide retirement and disability benefits and a cost-of-living adjustment to eligible nonacademic plan members hired on or after October 1, 1977. Retirement benefits are vested after five years of eligible service. PERS Plan 3 has a defined contribution component that members may elect to self-direct as established by the Employee Retirement Benefits Board. PERS 3 defined benefit plan benefits are vested after an employee completes five years of eligible service.

TRS 1 provides retirement and disability benefits, a lump-sum death benefit, and minimum benefits increases beginning at age 65 to certain eligible faculty hired prior to October 1, 1977. TRS 2 and 3 provide retirement benefits and a cost-of-living adjustment to certain eligible faculty hired on or after October 1, 1977. In addition, TRS 3 has a defined contribution component which is fully funded by employee contributions. Defined benefit plan benefits are vested after an employee completes five years of eligible service.

The authority to establish and amend benefit provisions resides with the legislature. The Washington State Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS, TRS, and LEOFF. The report may be obtained by writing to the Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380, or online at <http://www.drs.wa.gov/administration>.

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS and TRS Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute. All employers are required to contribute at the level established by state law.

Washington State University Retirement Plan

Plan Description

Faculty, professional, and other staff are eligible to participate in the Washington State University Retirement Plan (WSURP), a 403(b) defined contribution plan. The Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF) are the companion organizations through which individual retirement annuities are purchased. Employees have at all times a 100 percent vested interest in their accumulations.

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TIAA-CREF benefits are payable upon termination at the member's option unless the participant is re-employed in another institution which participates in TIAA-CREF.

The plan has a supplemental payment component that guarantees a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. WSU makes direct payments to qualifying retirees when the retirement benefit provided by TIAA-CREF does not meet the benefit goal. Employees are eligible for a non-reduced supplemental payment after the age of 62 with 10 years of full-time service.

The minimum retirement benefit goal is 2 percent of the average annual salary for each year of full-time service up to a maximum of 25 years. However, if the participant does not elect to make the 10 percent TIAA-CREF contribution after age 49, the benefit goal is 1.5 percent for each year of full-time service for those years the lower contribution rate is selected.

WSU's Board of Regents is authorized to amend benefit provisions under RCW 28B.10.400. In 2011, the plan was amended to eliminate the supplemental benefit provisions for all employees hired after June 30, 2011.

The WSURP supplemental pension benefits are unfunded and charged to operations in the years in which they are paid. The University makes no contributions other than benefit payments and there are no plan assets. An actuarial study of the supplemental pension benefits was performed as of June 30, 2021 using the entry age normal cost method and rolled forward with update procedures by the Office of the State Actuary. The actuarial assumptions for the evaluation included an investment rate of return of 7 percent. The total actuarial accrued liability calculated at June 30, 2022, was \$38,035,925.

Contributions

Contribution rates for the WSURP (TIAA-CREF), which are based upon age, are 5 percent, 7.5 percent, or 10 percent of salary and are matched by WSU. Employee and employer contributions for the year ended June 30, 2022, were \$975,412. Supplemental payments made by WSU for the year ended 2022 were \$3,247,593.

State legislation which became effective on July 1, 2020 created an employer contribution rate for the WSURP. The Office of the State Actuary determines the rate in accordance with RCW 41.45 which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. For the fiscal year ended June 30, 2022 the WSURP contribution rate was 0.30% of covered salaries per RCW 28B.10.423. Contributions made in FY22 were \$975,412. Prior to FY21 contributions were not required.

Plan Investments

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return with limited risks. As of July 1, 2020 legislation signed into law creating a trust agreement for assets dedicated to paying WSURP benefits to members. Contributions previously paid to DRS were transferred into the trust. As a result the University is now applying accounting guidance for single employer plans that have trusted assets and reports the net pension liability net of plan assets as of June 30, 2021.

Note 8 - Other Post Employment Benefits

WSU is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a single employer defined benefit plan administered by the Washington State Health Care Authority (HCA). The PEBB is authorized to design benefits and determine terms and conditions of employee and retired employee participation and coverage per RCW 41.05.065. The OPEB plan provides medical, dental, prescription drug, vision, life insurance, disability, and long-term care insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis.

The OPEB relationship between PEBB employers and employees is not formalized in a contract or plan document. Instead, the benefits are provided in accordance with a substantive plan in which the plan terms are understood by the employers and plan members based on communications between employers and members and the historical pattern of practice with regard to the sharing of benefits costs. The employer's plan provides benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. This set dollar amount is recommended by PEBB and approved by the state Legislature annually and was set at \$183 per member per month for fiscal year 2022. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

For information on the actuarial valuation of the employer provided subsidies, refer to the Office of the State Actuary's website: <https://leg.wa.gov/osa/Pages/default.aspx>.

Since the University's proportionate share is not broken down to the WSU department level, the OPEB liability, deferred inflows and deferred outflows and OPEB expense are not recorded on the NWPB financial statements.

Note 9 - Commitments

Revenue

Grant Commitments

During the fiscal year ended June 30, 2022, NWPB had the following active grants excluding awards related to CPB/CSG grant funds:

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New grants received during the fiscal year ended June 30, 2022:

Northwest News Network

This grant replaces our past NPAN grant award to NWPR to fund reporters covering many geographical parts of our listening area. This grant termed June 30, 2022, with the final invoice paid in full in September of 2022. Now that payment has been received, the account will be de-allocated and closed.

LC Valley Healthcare Reporting Fellowship

The Lewiston Clarkston Valley Healthcare Foundation provided a grant to place a reporter in the LC Valley. A reporter was hired who files healthcare related stories which are broadcast on air and published in local newspapers. The grant terms at the end of February 2023, and will be deallocated and closed in FY23.

FCC: C-Band Earth Station Transitions

The FCC made available funds for stations to purchase equipment to mitigate interference from new 5G data systems. There is no expiration date on the use of the funds.

Humanities Washington: Democracy and the Informed Citizen

Following the success of last year's grant project, (Re)Building Democracy, KWSU-FM engaged in another collaborative series of programming with multiple northwest public radio stations to continue creating multi-modal programming to deepen the public's understanding of democracy and electoral engagement. WSU received \$10,000 of the collaborative grant funding to spend on production of its portion of the programs created. This grant termed the end of July 2022 and will be deallocated and closed in FY2023.

Cable TV Educational Access Grant

This grant was awarded in fiscal year ending June 30, 2017. The funds are to be specifically spent on equipment to produce and cablecast WSU access programming within the Richland, Washington area.

Expenses

National Public Radio Membership

In September 2021, NWPB committed to pay \$316,015 to the National Public Radio for continued membership and to acquire programming for the one-year period ending September 30, 2022.

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Note 10 - Long-Term Debt

Other than Lease Liabilities there are no aggregate scheduled principal and interest payments for future years; all contracts are paid in full.

Note 11 - Investment in Endowment Funds

On November 30, 2004, Northwest Public Radio and KWSU/KTNW Public Television each established endowment funds with the Washington State University Foundation (the Foundation). On November 7, 2002, KUGR Radio had an endowment fund established for them by William “Bill” Stowell with the Foundation. In May of 1999, the process was started to create the Geneva Simons Northwest Public Television Endowment, and in 2015, funds were deposited adding its value to our endowment accounts. In July of 2017, Donald and Marianna Matteson established an endowment for Northwest Public Radio. The Dietrich Schmieman fund was established in May of 2020 and deposits to the Roop fund began in October of 2020.

NWPR Endowment Balances

Account	Market Value
KWSU/KTNW Public Television Endowment	\$ 42,034
NW Public Radio Endowment	48,508
William Stowell KUGR Excellence Endowment	53,759
Geneva Simons NW Public Television Endowment	92,171
Donald & Marianna Matteson Public Radio Endowment	108,011
Dietrich Schmieman Fund	26,908
Joseph Ezra Roop Fund	9,817
	\$ 381,208

The investments are held by the Foundation in pools that include investments in various stocks, bonds, fixed income securities, real estate, and commodities. Distributions are made in accordance with the applicable investment policy and payment procedures of the Foundation. The policies of the Foundation are intended to maintain a perpetual fund, provide a stable source of support, and invest for total return and long-term growth.

The market value of the permanent endowments held by the WSU Foundation on behalf of Northwest Public Broadcasting is \$381,208 as of June 30, 2022.

Note 12 - Adoption of New Standard

As of July 1, 2021, NWPB adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use of an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, NWPB recognized lease receivables and deferred inflow of resources of \$99,968 as of July 1, 2021. Additionally, NWPB recognized right-of-use assets of \$1,385,265 and lease liabilities of \$1,367,257 as of July 1, 2021, including reclassifying \$18,008 from prepaid lease expense to right-of-use assets. As a result of these adjustments there was no effect on beginning net position.

Note 13 - Correction of an Error

During 2022, NWPB identified misstatements associated with unearned revenue and prepaid leases as of June 30, 2021. It was determined that the unearned revenue and prepaid leases were understated as of June 30, 2021. The following summarizes the effect on beginning net position as a result of this restatement:

Net Position, Beginning of Year	\$ 3,164,749
Restatement of unearned revenue - 2020 Grant	(508,588)
Restatement of unearned revenue - 2021 Grant	(767,097)
Restatement of prepaid leases	18,008
Net Position, Beginning of Year, as Restated	\$ 1,907,072



Supplementary Information

June 30, 2022

**Northwest Public Broadcasting
Comprised of Northwest Public Radio,
Northwest Public Television
(KWSU/KTNW), KUGR Radio & Cable 8
TV**

(A Public Telecommunication System Operated by Washington
State University)

Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest
Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV
(A Public Communications System Operated by Washington State University)
Schedule of Revenues, Expenses, and Changes in Net Position -Departmental Basis
Year Ended June 30, 2022

	<u>Radio</u>	<u>Television</u>	<u>Combined Totals</u>
Operating Revenues			
Community service grants from the Corporation for Public Broadcasting	\$ 246,112	\$ 1,189,921	\$ 1,436,033
Other operating grants	558,998	470,888	1,029,886
Other income	39,501	136,320	175,821
Total operating revenues	844,611	1,797,129	2,641,740
Operating Expenses			
Programming and production	2,136,893	1,306,033	3,442,926
Broadcasting	687,437	630,255	1,317,692
Program information	33,802	16,745	50,547
Management and general	258,814	255,027	513,841
Fundraising and membership development	725,717	131,182	856,899
Indirect administrative and facilities support	506,779	415,218	921,997
Depreciation	13,890	85,164	99,054
Total operating expenses	4,363,332	2,839,624	7,202,956
Operating Loss	(3,518,721)	(1,042,495)	(4,561,216)
Nonoperating Revenues			
General appropriation from WSU	706,358	943,399	1,649,757
Donated facilities and administrative support from WSU	506,779	415,218	921,997
Contributions and underwriting	2,794,678	331,662	3,126,340
Total nonoperating revenues	4,007,815	1,690,279	5,698,094
Change In Net Position	\$ 489,094	\$ 647,784	\$ 1,136,878

Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest Public Television (KWSU/KTNW), KUGR
Radio & Cable 8 TV

(A Public Communications System Operated by Washington State University)

Schedule of Functional Expenses

Year Ended June 30, 2022

	Program Services				Support Services				Total
	Programming and Production	Broadcasting	Program Information	Total Program Services	Management and General	Fundraising and Membership	Underwriting	Total Support Services	
Salaries and wages	\$ 1,522,607	\$ 347,996	\$ 11,900	\$ 1,882,503	\$ 277,981	\$ 256,212	\$ 204,492	\$ 738,685	\$ 2,621,188
Employee benefits and payroll taxes	486,404	117,344	1,461	605,209	87,252	98,516	65,329	251,097	856,306
Program acquisitions	1,062,462	-	-	1,062,462	-	-	-	-	1,062,462
Professional and contracted services	9,420	15,771	850	26,041	109,383	7,362	-	116,745	142,786
Membership dues	46,181	525	3,245	49,951	3,209	(66,822)	3,636	(59,977)	(10,026)
Bank card expense	-	39	-	39	-	33,554	378	33,932	33,971
Subscriptions and publications	250	-	482	732	710	413	-	1,123	1,855
Office supplies	644	288	-	932	902	2,352	363	3,617	4,549
Computer supplies and software	80,525	293,607	2,219	376,351	1,790	11,084	4,150	17,024	393,375
Software licensing	9,207	-	-	9,207	-	-	-	-	9,207
Cellular data and telephone services	3,381	10,109	-	13,490	162	2,789	3,492	6,443	19,933
Postage and shipping	228	909	6,465	7,602	43	7,279	442	7,764	15,366
Repairs and maintenance	19,931	52,886	86	72,903	(2,492)	879	-	(1,613)	71,290
Printing and publications	431	173	20,700	21,304	9	9,545	-	9,554	30,858
Travel and conferences	51,814	18,454	1,113	71,381	24,415	5,625	1,203	31,243	102,624
Training	1,485	-	-	1,485	(3,151)	1,602	-	(1,549)	(64)
Motor vehicle operations	778	20,764	-	21,542	5	-	-	5	21,547
General admin, operation and production	24,450	20,817	1,808	47,075	9,599	20,034	2,100	31,733	78,808
Site rents, utilities, insurance	71,202	276,792	100	348,094	1,170	-	10,601	11,771	359,865
Equipment Expenses & Purchases	31,872	126,347	48	158,267	1,547	-	4,511	6,058	164,325
WSU Administration and Foundation fees	19,654	14,871	70	34,595	1,307	136,174	3,030	140,511	175,106
Total	3,442,926	1,317,692	50,547	4,811,165	513,841	526,598	303,727	1,344,166	6,155,331
In-kind trades	-	-	-	-	-	-	26,574	26,574	26,574
Indirect expenses	515,603	203,163	7,461	726,227	79,638	75,333	40,799	195,770	921,997
Depreciation	35,256	63,798	-	99,054	-	-	-	-	99,054
Total	\$ 3,993,785	\$ 1,584,653	\$ 58,008	\$ 5,636,446	\$ 593,479	\$ 601,931	\$ 371,100	\$ 1,566,510	\$ 7,202,956