



Financial Statements

June 30, 2023

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)

Table of Contents  
June 30, 2023

---

Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
Financial Statements	
Statement of Net Position .....	11
Statement of Revenues, Expenses, and Changes in Net Position.....	12
Statement of Cash Flows .....	13
Notes to Financial Statements .....	14
Supplementary Information	
Schedule of Revenues, Expenses, and Changes in Net Position -Departmental Basis .....	28
Schedule of Functional Expenses .....	29



## 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 financial statements of the business-type activities 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, 2023, and the related notes to the financial statements, which collectively comprise NWPB's basic 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 department of Washington State University as of June 30, 2023, 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.

#### *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, a department 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. They do not purport to, and do not, present

fairly the financial position of Washington State University as of June 30, 2023, 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.

### ***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.

### ***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.

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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
April 17, 2024

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)  
Management's Discussion and Analysis  
June 30, 2023

---

## 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, 2023 (FY23) and 2022 (FY22). 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 University 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

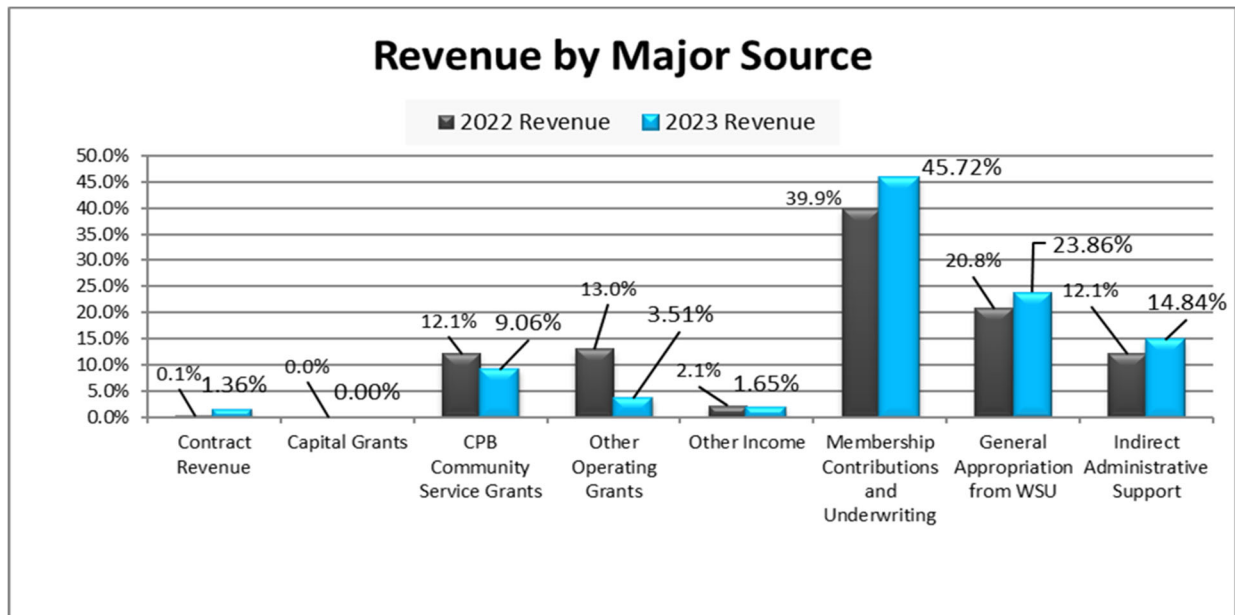
**NWPB's financial position levels for the current year ending June 30, 2023, showed a decrease from FY22 levels:**

- Total net position decreased by \$1.60 million. Grant revenue was significantly reduced due to the deferral of unspent Corporation for Public Broadcasting (CSG) funds. Overall expenses increased but was offset some by an increase in contributions and underwriting.
- Current assets decreased by \$1.55 million from FY22. Cash carry forward increased by \$319 thousand.
- Noncurrent assets decreased by \$5 thousand due to equipment disposal and the recognition of depreciation and amortization expense, which increased accumulated depreciation and amortization; however offset with capital asset additions during the year.
- Current liabilities increased by about \$706 thousand. Accounts payable increased by \$301 thousand and unearned revenue increased by \$347 thousand due to carrying CSG grant revenues as unearned until expenses are applied against them.
- Long-term lease liability decreased by \$227 thousand as lease contracts are paid.

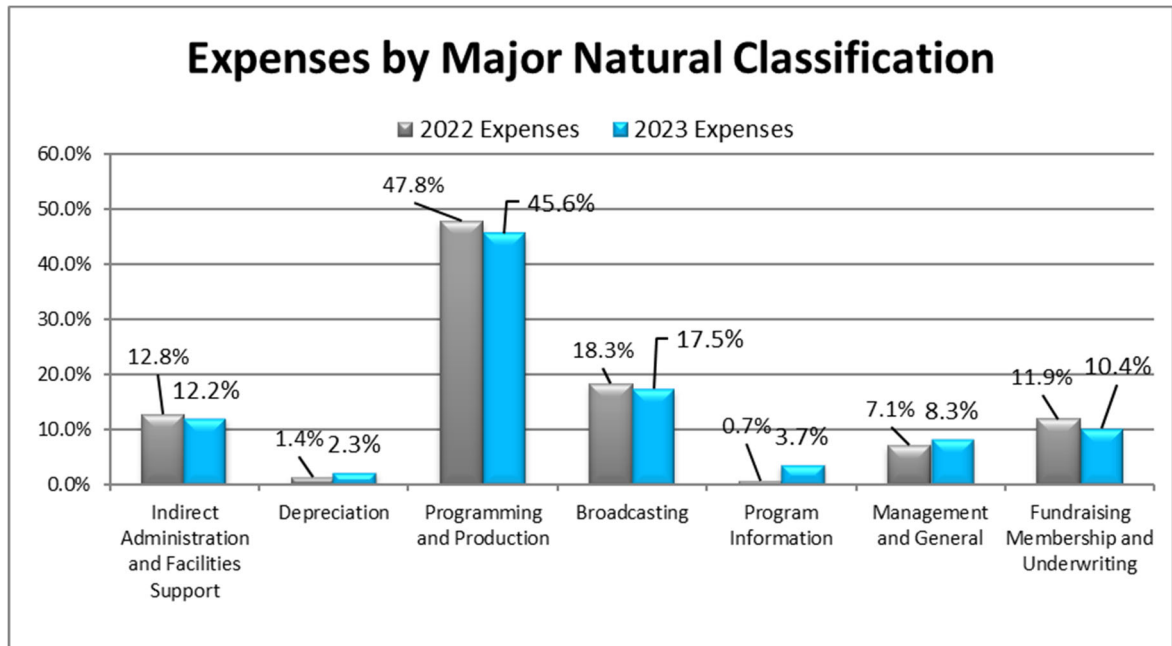
Northwest Public Broadcasting Comprised of Northwest Public Radio, Northwest  
Public Television (KWSU/KTNW), KUGR Radio & Cable 8 TV  
(A Public Communications System Operated by Washington State University)  
Management's Discussion and Analysis  
June 30, 2023

---

- Revenues from all sources totaled \$7.26 million (including \$657 thousand recognized associated with CPB grant revenue) which was a decrease of \$1.08 million from fiscal year 2022. This decrease is attributed to termination of one-time grant monies and the adjustment to CSG grant receivables offset by increases in university support.



- Expenses totaled \$8.855 million representing an increase of \$1.65 million from fiscal year 2022. New staff hires, promotions and pay increases resulted in an increase in payroll and benefit costs of \$685 thousand representing a 20% increase. Programming and production expenses increased by \$596 thousand as a result expanded production staffing; studio and programming equipment purchases; and facilities upgrades. Also showing a significant increase from previous years were expenses from promotions and community outreach including a new early education initiative. The overall 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 Governmental Accounting Standards Board (GASB) 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, inventories, pre-paid expenses and investments that can easily be converted to cash to meet operating expenses. Non-current assets include licensed program rights, capital equipment 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.



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)  
Management's Discussion and Analysis  
June 30, 2023

---

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 and debt principal payments due within one year. Non-current liabilities are obligations payable beyond one year.

Below is a condensed view of the statements of net position as of June 30, 2023 and 2022:

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

	June 30, 2023	June 30, 2022
<b>Assets</b>		
Current assets	\$ 2,123,255	\$ 3,669,023
Capital and right-of-use assets	2,283,245	1,869,137
Noncurrent assets	368,951	374,228
Total assets	\$ 4,775,451	\$ 5,912,388
<b>Liabilities</b>		
Current liabilities	\$ 2,417,948	\$ 1,711,737
Noncurrent liabilities	845,684	1,072,944
Total liabilities	3,263,632	2,784,681
Deferred Inflows of Resources - Leases	67,593	83,757
<b>Net Position</b>		
Investment in capital assets	997,486	580,528
Restricted	-	79,583
Unrestricted	446,740	2,383,839
Total net position	1,444,226	3,043,950
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 4,775,451	\$ 5,912,388

**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, non-operating or other.

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)  
Management's Discussion and Analysis  
June 30, 2023

---

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-operating 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 FY23 by \$427 thousand over FY22 levels. This followed an increase of \$402 thousand in FY22. These revenues are generated by allocations and donated facilities from WSU as well as outside contributions. General appropriations from WSU increased by \$82 thousand. Indirect contributions, which are calculated as a percentage of expenses for the fiscal year, increased by \$154 thousand. These revenues can vary based on WSU financial situation and distribution of allocated funding. Contributions and underwriting revenue increased over the prior year by \$191 thousand. These increases resulted from underwriting team's increased efforts to secure sponsors, membership and adding sustainer members, which generally increase individual donation.

Following is a condensed view of the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2023 and 2022:

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Operating Revenues	\$ 1,130,100	\$ 2,641,740
Operating Expenses	<u>8,855,448</u>	<u>7,202,956</u>
Operating Loss	(7,725,348)	(4,561,216)
Nonoperating Revenues	<u>6,125,624</u>	<u>5,698,094</u>
Change in Net Position	(1,599,724)	1,136,878
Net Position, Beginning of Year, as Restated	<u>3,043,950</u>	<u>1,907,072</u>
Net Position, End of Year	<u>\$ 1,444,226</u>	<u>\$ 3,043,950</u>

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)  
Management's Discussion and Analysis  
June 30, 2023

---

### **Capital Assets**

As of June 30, 2023, NWPB had approximately \$8.5 million invested in capital assets with associated accumulated depreciation of (\$7.3) million for a net investment of \$1.2 million. Right-of-use for leased towers is valued at \$1.49 million with offsetting allowable amortization of \$450 thousand for a net asset value of \$1.0 million.

See Note 4 for additional information on capital assets.

### **Long-term Liabilities**

Per GASB 87 calculations, NWPB has recorded lease liabilities of \$1.07 million as of June 30, 2023.

See Note 5 for additional information on capital assets.

### **Economic Outlook**

NWPB's largest revenue source for the year was donor contributions and underwriting from our communities at 45% 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 and the general manager focuses on major giving. The current lack of a Senior Director of Development will hamper efforts in seeking larger donations. Underwriting support will continue to remain stable or slightly decline due to the strained economic situations for businesses, non-profit organizations, and local governments. Additionally, new initiatives in community early learning programs, supporter listening sessions and outreach are anticipated to generate a modest increase in membership contributions.

Financial and facilities support from WSU constitutes 40% 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 FY23, University support through state funds allocations was reduced by 6%. It is anticipated that support will be reduced by 2.5 - 5% from FY23 base levels for the next two to three years.

Non-University and non-Corporation for Public Broadcasting (CPB) grants are anticipated to decrease in FY24 as FCC funding to support spectrum changes is completed. 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.

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)  
Management's Discussion and Analysis  
June 30, 2023

---

CPB Community Service Grants (CSG) made up 9% of the system's revenue in FY23. 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 FY24 will be decrease \$112 thousand from FY23 levels. CPB did provide a Universal Service Support Grant to NWPB television for FY24 in the amount of \$35 thousand. 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.

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 station operations at KOHO radio. 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. As new equipment is acquired and integrated into our operations, maintenance and repair cost will likely stabilize or decrease. Additional startup expenses are anticipated as we expand our jazz service into the Wenatchee area on KOHO 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 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.

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)

Statement of Net Position

June 30, 2023

Assets	
Current Assets	
Cash pooled with WSU	\$ 1,116,762
Accounts receivable	13,820
Contributions/underwriting receivables, less allowance for uncollectible amounts of \$34,763	589,027
Grants and contracts receivable	4,317
Lease receivables	16,131
Licensed program rights and other prepaid expenses	<u>383,198</u>
Total current assets	<u>2,123,255</u>
Noncurrent Assets	
Licensed program rights	316,977
Noncurrent lease receivables	51,974
Capital assets	
Equipment	8,511,169
Less accumulated depreciation	(7,269,264)
Right-of-use assets	1,490,951
Less accumulated amortization	<u>(449,611)</u>
Total capital and right-of-use assets	<u>2,283,245</u>
Total noncurrent assets	<u>2,652,196</u>
Total Assets	<u><u>\$ 4,775,451</u></u>
Current Liabilities	
Accounts payable	\$ 398,723
Accrued payroll	163,893
Accrued leave liability	314,489
Unearned revenue	1,315,078
Lease liability	<u>225,765</u>
Total current liabilities	<u>2,417,948</u>
Noncurrent Lease Liability	<u>845,684</u>
Total liabilities	<u>3,263,632</u>
Deferred Inflows of Resources - Leases	<u>67,593</u>
Net Position	
Net investment in capital assets	997,486
Unrestricted	<u>446,740</u>
Total net position	<u>1,444,226</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u><u>\$ 4,775,451</u></u>

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)  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023

---

Operating Revenues	
Contract revenue	\$ 110,325
Community service grants from the Corporation for Public Broadcasting	657,062
Other operating grants	254,953
Other income	107,760
	<u>1,130,100</u>
Total operating revenues	
Operating Expenses	
Programming and production	4,039,713
Broadcasting	1,292,489
Program information	330,575
Management and general	739,095
Fundraising and membership development	917,714
Indirect administrative and facilities support	1,076,581
Depreciation and amortization	459,281
	<u>8,855,448</u>
Total operating expenses	
Operating Loss	<u>(7,725,348)</u>
Nonoperating Revenues	
General appropriation from WSU	1,731,418
Donated facilities and administrative support from WSU	1,076,581
Contributions and underwriting	3,317,625
	<u>6,125,624</u>
Total nonoperating revenues	
Change In Net Position	(1,599,724)
Net Position, Beginning of Year	<u>3,043,950</u>
Net Position, End of Year	<u>\$ 1,444,226</u>

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)

Statement of Cash Flows  
Year Ended June 30, 2023

<hr/>	
Operating Activities	
Cash received from customers	\$ 340,556
Cash received from operating grants and support from the Corporation for Public Broadcasting	3,443,660
Cash paid to suppliers	(2,834,526)
Cash paid for employee salaries, wages, and benefits	(4,120,355)
	<u>(3,170,665)</u>
Net Cash used for Operating Activities	
Noncapital and Related Financing Activities	
General appropriation from WSU	1,731,418
Contributions and underwriting	2,844,064
	<u>4,575,482</u>
Net Cash from Noncapital and Related Financing Activities	
Capital and Related Financing Activities	
Acquisition of equipment	(884,022)
Payment of principal on lease liability	(217,506)
Receipt of principal on lease receivable	15,998
	<u>(1,085,530)</u>
Net Cash used for Capital and Related Financing Activities	
Net Change in Cash	319,287
Cash, Beginning of Year	<u>797,475</u>
Cash, End of Year	<u>\$ 1,116,762</u>
Reconciliation of Operating Loss to Net Cash used for Operating Activities	
Operating loss	\$ (7,725,348)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation and amortization	459,281
Indirect administrative and facilities support from WSU	1,076,581
(Increase) Decrease in assets	
Accounts receivable	122,471
Grants and contracts receivable	1,633,042
Licensed program rights	20,592
Increase (Decrease) in liabilities	
Accounts payable	295,502
Accrued payroll	18,047
Accrued vacation	30,564
Unearned revenue	898,603
	<u>898,603</u>
Net Cash used for Operating Activities	<u>\$ (3,170,665)</u>

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)  
Notes to Financial Statements  
June 30, 2023

---

**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 the student arm of broadcasting from the academic side of the University by administrating 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.



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)

Notes to Financial Statements

June 30, 2023

---

### **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 and departments. Cash 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 pledges 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 pledge 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 NWPB charges the lessee.

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)

Notes to Financial Statements

June 30, 2023

---

### **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.

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.

### **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 borrowing rate determined by PFM Financial Advisors, LLC. NWPB has one item that qualifies for reporting in this category related to leases where NWPB is the lessor.

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)

Notes to Financial Statements

June 30, 2023

---

### **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. The deferred inflows of resources relate to leases and are recognized as an inflow of resources (revenue) on a straight line basis over the term of the lease.

### **Net Position**

NWPB's net position is classified as follows:

**Net Investment in Capital Assets** - This represents NWPB's total investment in capital assets including leased assets, net of depreciation, amortization 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).

### **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.

### **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 Statement 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.

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)  
Notes to Financial Statements  
June 30, 2023

---

**Risks and 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.

**Note 2 - Grants and Contracts Receivable**

Grants and contracts receivable were as follows at June 30, 2023:

TV USG	\$ 4,317
	<u>\$ 4,317</u>

**Note 3 - 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 the NWPB charges the lessee.

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, 2023, NWPB had lease receivables relating to these leases of \$68,105, and a deferred inflow of \$67,593, net of accumulated amortization. NWPB uses an interest rate of .83% for these leases. Interest revenue recognized on these leases was \$637 and principal receipts of \$15,998 were recognized during the fiscal year. Amortization of deferred inflow totaled \$16,211 for the year ended June 30, 2023.

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)  
Notes to Financial Statements  
June 30, 2023

---

**Note 4 - Capital Assets**

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance at June 30, 2022	Additions	Transfers/ Disposals	Balance at June 30, 2023
Equipment	\$ 8,073,014	\$ 879,174	\$ (441,019)	\$ 8,511,169
Less Accumulated Depreciation	(7,503,128)	(205,019)	438,883	(7,269,264)
Total	<u>\$ 569,886</u>	<u>\$ 674,155</u>	<u>\$ (2,136)</u>	<u>\$ 1,241,905</u>
Right-of-Use Assets				
Facilities	\$ 746,802	\$ -	\$ (7,191)	\$ 739,611
Land	730,995	4,848	-	735,843
Roads	<u>16,803</u>	<u>-</u>	<u>(1,306)</u>	<u>15,497</u>
	1,494,600	4,848	(8,497)	1,490,951
Less Accumulated Amortization	<u>(195,349)</u>	<u>(254,262)</u>	<u>-</u>	<u>(449,611)</u>
Total	<u>\$ 1,299,251</u>	<u>\$ (249,414)</u>	<u>\$ (8,497)</u>	<u>\$ 1,041,340</u>

Depreciation and amortization expense totaled \$459,281 for the year ended June 30, 2023.

The federal government has a ten-year priority lien on any property purchased under these grants to assure continued use for public telecommunications. Ten years from the final closeout of each grant, NWPB receives complete ownership of the equipment. All equipment purchased under Federal funding has reverted to NWPB ownership.

**Note 5 - 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, 2023, 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.

**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)

Notes to Financial Statements

June 30, 2023

Lease liabilities activity for the year ended June 30, 2023 is as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Lease Liabilities	\$ 1,288,955	\$ -	\$ (217,506)	\$ 1,071,449	\$ 225,765

Future payments on lease liabilities are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2024	\$ 225,765	\$ 19,509	\$ 245,274
2025	179,974	16,751	196,725
2026	123,023	14,300	137,323
2027	100,822	12,362	113,184
2028	69,266	10,734	80,000
2029-2033	277,353	33,314	310,667
2034-2038	94,518	4,554	99,072
2039-2043	728	2	730
	\$ 1,071,449	\$ 111,526	\$ 1,182,975

**Note 6 - 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).

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)  
Notes to Financial Statements  
June 30, 2023

---

The NWPB's contribution rates and contributions for the above retirement plans for the year ended June 30, 2023, are as follows:

	Contributions
PERS	\$ 108,490
TRS	349
WSURP	119,651

	Contribution Rates
	2023
	WSU
PERS	
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 NWPB 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.



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)  
Notes to Financial Statements  
June 30, 2023

---

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 online at <https://www.drs.wa.gov/pefi-2022>.

#### *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.

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.

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)

Notes to Financial Statements

June 30, 2023

---

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 January 1, 2023, 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, 2023, was \$32,292,311.

### **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, 2023, were \$1,040,319. Supplemental payments made by WSU for the year ended June 30, 2023, were \$3,227,855.

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, 2023, the WSURP contribution rate was 0.30% of covered salaries per RCW 28B.10.423. Contributions made in FY23 were \$1,040,319. Prior to FY21 contributions were not required.

### **Plan Investments**

The 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. Footnote 3.B of the Washington ACFR contains information regarding the investment of SRP funds by WSIB including the valuation, concentration, classifications, and maturities.

### **Note 7 - 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

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)

Notes to Financial Statements

June 30, 2023

---

amount is recommended by PEBB and approved by the state Legislature annually and was set at \$183 per member per month for fiscal year 2023. 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: <http://leg.wa.gov/osa/additionalservices/Pages/OPEB.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 8 - Commitments**

### **Revenue**

#### **Grant Commitments**

New grants received during the fiscal year ended June 30, 2023:

##### 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, 2023, with the final invoice paid in full in September of 2023. Now that payment has been received, the account will be de-allocated and closed.

Continuing grants during the fiscal year ended June 30, 2023:

##### LC Valley Healthcare Reporting Fellowship

This grant was awarded in the fiscal year ending June 30, 2022. Lewis and Clark Valley Healthcare Foundation funds were used to fund fact-based reporting in local areas concerning healthcare for themselves and their families. This grant termed and was closed on February 28, 2023.

##### WGBH Education Foundation: NOVA YR2

This grant was awarded in the fiscal year ending June 30, 2022. WGBH funds were used for educational and documentary programs to examine how changing climate is affecting different regions. This grant termed and was closed on June 30, 2023.

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)  
Notes to Financial Statements  
June 30, 2023

---

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.

FCC: C-Band Earth Station Transitions

This grant was awarded in the fiscal year ending June 30, 2022. 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.

Cable TV Educational Access Grant

This grant was awarded in the 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**

Public Broadcasting Service Membership and Programming

In September 2022, NWPB committed to pay \$401,825 to the Public Broadcasting System for continued membership and to acquire programming for the fiscal year ending June 30, 2023.

National Public Radio Membership and Programming

In September 2022, NWPB committed to pay \$551,753 to the National Public Radio for continued membership and to acquire programming for the one-year period ending September 30, 2023.

**Note 9 - 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 10 - 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. The Michael Hammer Gift Endowment was established August 2021.

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)

Notes to Financial Statements

June 30, 2023

---

**NWPR Endowment Balances**

<u>Account</u>	<u>Market Value</u>
KWSU/KTNW Public Television Endowment	\$ 44,808
NW Public Radio Endowment	51,709
William Stowell KUGR Excellence Endowment	57,788
Geneva Simons NW Public Television Endowment	98,253
Donald & Marianna Matteson Public Radio Endowment	115,354
Dietrich Schmieman Fund	28,684
Joseph Ezra Roop Fund	31,736
Michael and Ann Hammer Public Radio Endowment	9,523
	<u>\$ 437,855</u>

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 \$437,855 as of June 30, 2023.



Supplementary Information

June 30, 2023

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)

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, 2023

	<u>Radio</u>	<u>Television</u>	<u>Combined Totals</u>
Operating Revenues			
Contract revenue	\$ 11,792	\$ 98,533	\$ 110,325
Community service grants from the Corporation for Public Broadcasting	-	657,062	657,062
Other operating grants	242,453	12,500	254,953
Other income	<u>60,486</u>	<u>47,274</u>	<u>107,760</u>
Total operating revenues	<u>314,731</u>	<u>815,369</u>	<u>1,130,100</u>
Operating Expenses			
Programming and production	2,426,982	1,612,731	4,039,713
Broadcasting	887,097	405,392	1,292,489
Program information	135,287	195,288	330,575
Management and general	392,074	347,021	739,095
Fundraising and membership development	781,020	136,694	917,714
Indirect administrative and facilities support	623,587	452,994	1,076,581
Depreciation and amortization	<u>171,953</u>	<u>287,328</u>	<u>459,281</u>
Total operating expenses	<u>5,418,000</u>	<u>3,437,448</u>	<u>8,855,448</u>
Operating Loss	<u>(5,103,269)</u>	<u>(2,622,079)</u>	<u>(7,725,348)</u>
Nonoperating Revenues			
General appropriation from WSU	753,128	978,290	1,731,418
Donated facilities and administrative support from WSU	623,587	452,994	1,076,581
Contributions and underwriting	<u>2,742,881</u>	<u>574,744</u>	<u>3,317,625</u>
Total nonoperating revenues	<u>4,119,596</u>	<u>2,006,028</u>	<u>6,125,624</u>
Change In Net Position	<u>\$ (983,673)</u>	<u>\$ (616,051)</u>	<u>\$ (1,599,724)</u>

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, 2023

	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	\$ 1,619,553	\$ 346,000	\$ 182,629	\$ 2,148,182	\$ 466,684	\$ 197,026	\$ 195,682	\$ 859,392	\$ 3,007,574
Employee benefits and payroll taxes	657,277	140,768	57,004	855,049	138,154	69,466	98,723	306,343	1,161,392
Program acquisitions	1,180,647	3,997	-	1,184,644	-	-	-	-	1,184,644
Professional and contracted services	13,395	6,564	9,965	29,924	65,816	-	-	65,816	95,740
Membership dues	34,874	438	8,695	44,007	20,560	10,134	5,465	36,159	80,166
Bank card expense	177	64	16	257	-	32,072	-	32,072	32,329
Subscriptions and publications	1,706	-	1,343	3,049	1,383	2,064	-	3,447	6,496
Office supplies	2,318	263	640	3,221	463	929	685	2,077	5,298
Computer supplies and software	89,724	348,101	6,660	444,485	3,598	13,229	3,846	20,673	465,158
Software licensing	96,545	-	-	96,545	-	-	-	-	96,545
Cellular data and telephone services	4,749	29,678	52	34,479	270	-	3,169	3,439	37,918
Postage and shipping	773	3,102	3,760	7,635	181	12,967	260	13,408	21,043
Repairs and maintenance	139,261	126,046	7,506	272,813	654	1,405	7	2,066	274,879
Printing and publications	42	68	6,422	6,532	91	20,844	-	20,935	27,467
Travel and conferences	51,200	19,946	13,731	84,877	21,504	3,828	4,287	29,619	114,496
Training	7,511	2,757	-	10,268	5,695	-	-	5,695	15,963
Motor vehicle operations	1,772	26,550	722	29,044	890	-	-	890	29,934
General admin, operation and production	46,917	26,508	26,546	99,971	8,517	19,627	2,151	30,295	130,266
Site rents, utilities, insurance	12,900	154,574	2,380	169,854	-	-	10,062	10,062	179,916
Equipment expenses and purchases	57,126	38,119	714	95,959	2,069	102	-	2,171	98,130
WSU Administration and Foundation fees	21,246	18,946	1,790	41,982	2,566	128,712	3,305	134,583	176,565
<b>Total</b>	<b>4,039,713</b>	<b>1,292,489</b>	<b>330,575</b>	<b>5,662,777</b>	<b>739,095</b>	<b>512,405</b>	<b>327,642</b>	<b>1,579,142</b>	<b>7,241,919</b>
In-kind trades	-	-	-	-	-	-	77,667	77,667	77,667
Indirect expenses	561,165	232,509	51,362	845,036	112,081	74,194	45,270	231,545	1,076,581
Depreciation and amortization	395,608	63,673	-	459,281	-	-	-	-	459,281
<b>Total</b>	<b>\$ 4,996,486</b>	<b>\$ 1,588,671</b>	<b>\$ 381,937</b>	<b>\$ 6,967,094</b>	<b>\$ 851,176</b>	<b>\$ 586,599</b>	<b>\$ 450,579</b>	<b>\$ 1,888,354</b>	<b>\$ 8,855,448</b>