

# **WGBH Educational Foundation and Subsidiaries**

**Consolidated Financial Statements  
Supplemental Consolidating Information  
June 30, 2024 and 2023**

# WGBH Educational Foundation and Subsidiaries

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June 30, 2024 and 2023

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## **Report of Independent Auditors**

To the Board of Trustees of  
WGBH Educational Foundation

### ***Opinion***

We have audited the accompanying consolidated financial statements of WGBH Educational Foundation and its subsidiaries (the "Foundation"), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of activities, of functional expenses and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audit and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of PRX, Inc., a subsidiary whose sole member is WGBH Educational Foundation, which statements reflect total assets of \$11,112,183 and \$12,956,998 as of June 30, 2024 and 2023, respectively, and total revenues of \$29,875,874 and \$31,091,747 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for PRX, Inc., is based solely on the report of the other auditors.

### ***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

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

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

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating information as of and for the years ended June 30, 2024 and 2023 (the "supplemental information") is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information is not intended to present, and we do not express an opinion on, the financial position, changes in net assets and cash flows of the individual companies. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in



the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

*Pricewaterhouse Coopers LLP*

Boston, Massachusetts

November 26, 2024

**WGBH Educational Foundation and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**June 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Current assets		
Cash	\$ 17,785,515	\$ 40,833,968
Short-term investments	34,564,999	35,027,715
Accounts receivable	30,225,780	23,873,891
Current portion of receivables for asset sales	5,138,199	5,194,845
Current portion of grants receivable, net	10,278,669	10,329,193
Current portion of pledges receivable, net	3,286,341	6,685,344
Film assets	45,744,801	37,801,416
Prepaid expenses and other assets	5,211,812	5,549,389
Total current assets	152,236,116	165,295,761
Long term pledges receivable, net	2,435,902	3,050,214
Long term grants receivable, net	3,126,498	5,351,615
Long term receivables for asset sales	96,883,853	96,605,489
Radio and television licenses	20,446,713	20,446,713
Intangible assets	380,000	380,000
Other assets	4,200,987	4,083,818
Equity investments	46,221,546	37,654,052
Funds held under bond agreements - restricted	3,558,726	2,729,295
Long term investments	435,304,692	423,537,752
Right-of-use assets	42,752,605	42,503,163
Property, facilities and equipment, net	143,778,844	149,048,527
Total assets	\$ 951,326,482	\$ 950,686,399
<b>Liabilities</b>		
Current liabilities		
Current maturities of debt	\$ 17,554,950	\$ 10,577,350
Accounts payable	15,305,959	14,644,265
Accrued expenses	18,293,025	19,113,485
Royalties payable	1,404,207	2,144,539
Current accrued bond interest expense	6,504,503	6,431,543
Current portion of lease liabilities	1,575,151	1,458,968
Deferred revenue and other liabilities	12,854,396	20,741,791
Total current liabilities	73,492,191	75,111,941
Long term deferred revenue and other liabilities	55,540,730	58,605,984
Long term lease liabilities	47,281,627	46,217,265
Long term debt, net	165,800,996	170,787,981
Long term accrued bond interest expense	33,020,488	32,301,752
Total liabilities	375,136,032	383,024,923
Commitments and contingencies (Note 13)		
Net assets		
Without donor restrictions: WGBH Educational Foundation	427,579,936	421,315,304
Without donor restrictions: Noncontrolling interest in CDP	958,603	1,557,783
Total net assets without donor restrictions	428,538,539	422,873,087
With donor restrictions	147,651,911	144,788,389
Total net assets	576,190,450	567,661,476
Total liabilities and net assets	\$ 951,326,482	\$ 950,686,399

The accompanying notes are an integral part of these consolidated financial statements.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue</b>			
Licensing	\$ 66,052,071	\$ -	\$ 66,052,071
Underwriting	31,911,475	-	31,911,475
Viewer and listener support	37,715,599	-	37,715,599
Grants and contributions	8,337,145	32,170,770	40,507,915
Community service grants from Corporation for Public Broadcasting	9,006,109	-	9,006,109
Royalties	2,054,653	-	2,054,653
Captioning and ancillary services	4,363,299	-	4,363,299
Other services revenue	15,696,604	-	15,696,604
Planned giving	3,766,955	987,000	4,753,955
Change in value of split interest agreements	-	807,721	807,721
Accretion of interest and other income on long-term receivables	5,416,564	-	5,416,564
Gain on equity investments	16,960,036	-	16,960,036
Investment earnings authorized for operations	20,696,878	(3,837,949)	16,858,929
In-kind contributions and donated services	1,619,137	-	1,619,137
Affiliation fee	3,838,784	-	3,838,784
Distribution fee	4,551,039	-	4,551,039
Miscellaneous income	12,034,583	-	12,034,583
Total operating revenue	244,020,931	30,127,542	274,148,473
Net assets released from restrictions	35,588,362	(35,588,362)	-
Total operating revenue and other support	279,609,293	(5,460,820)	274,148,473
<b>Operating expenses</b>			
Program services			
Programming and production	184,215,652	-	184,215,652
Broadcasting	42,006,003	-	42,006,003
Public information, guides and educational material	16,752,720	-	16,752,720
Total program services	242,974,375	-	242,974,375
Supporting services			
Fundraising and development	17,426,662	-	17,426,662
Underwriting	8,394,591	-	8,394,591
General and administrative	23,188,678	-	23,188,678
Total supporting services	49,009,931	-	49,009,931
Total operating expenses	291,984,306	-	291,984,306
(Deficit) of operating revenue and other support over operating expenses	(12,375,013)	(5,460,820)	(17,835,833)
<b>Nonoperating gains (losses)</b>			
Total investment income, net	36,114,633	8,324,342	44,438,975
Investments earnings authorized for operations	(16,858,929)	-	(16,858,929)
Other losses, net	(616,059)	-	(616,059)
Nonoperating gains, net	18,639,645	8,324,342	26,963,987
Increase in net assets: WGBH Educational Foundation	6,264,632	2,863,522	9,128,154
Change in net assets: Noncontrolling interest in CDP	(599,180)	-	(599,180)
Total increase in net assets	5,665,452	2,863,522	8,528,974
<b>Net assets</b>			
Beginning of year	422,873,087	144,788,389	567,661,476
End of year	\$ 428,538,539	\$ 147,651,911	\$ 576,190,450

The accompanying notes are an integral part of these consolidated financial statements.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidated Statement of Activities**  
**Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenue</b>			
Licensing	\$ 58,292,923	\$ -	\$ 58,292,923
Underwriting	35,168,714	-	35,168,714
Viewer and listener support	36,928,344	-	36,928,344
Grants and contributions	5,534,676	45,034,159	50,568,835
Community service grants from Corporation for Public Broadcasting	8,282,421	-	8,282,421
Royalties	1,879,148	-	1,879,148
Captioning and ancillary services	5,347,821	-	5,347,821
Other services revenue	17,148,524	-	17,148,524
Planned giving	7,903,843	4,256,259	12,160,102
Change in value of split interest agreements	-	215,037	215,037
Accretion of interest and other income on long-term receivables	5,407,444	-	5,407,444
Gain on equity investments	14,601,219	-	14,601,219
Investment earnings authorized for operations	20,795,195	(2,175,276)	18,619,919
In-kind contributions and donated services	1,257,189	-	1,257,189
Affiliation fee	3,894,371	-	3,894,371
Distribution fee	5,097,039	-	5,097,039
Miscellaneous income	11,525,696	-	11,525,696
Total operating revenue	239,064,567	47,330,179	286,394,746
Net assets released from restrictions	30,576,020	(30,576,020)	-
Total operating revenue and other support	269,640,587	16,754,159	286,394,746
<b>Operating expenses</b>			
Program services			
Programming and production	171,307,744	-	171,307,744
Broadcasting	42,978,520	-	42,978,520
Public information, guides and educational material	16,213,319	-	16,213,319
Total program services	230,499,583	-	230,499,583
Supporting services			
Fundraising and development	17,872,383	-	17,872,383
Underwriting	8,606,275	-	8,606,275
General and administrative	31,330,839	-	31,330,839
Total supporting services	57,809,497	-	57,809,497
Total operating expenses	288,309,080	-	288,309,080
(Deficit) surplus of operating revenue and other support over operating expenses	(18,668,493)	16,754,159	(1,914,334)
<b>Nonoperating gains (losses)</b>			
Total investment income, net	21,558,110	5,101,899	26,660,009
Investments earnings authorized for operations	(18,619,919)	-	(18,619,919)
Other losses, net	(192,021)	-	(192,021)
Nonoperating gains, net	2,746,170	5,101,899	7,848,069
(Decrease) increase in net assets: WGBH Educational Foundation	(15,922,323)	21,856,058	5,933,735
Change in net assets: Noncontrolling interest in CDP	565,381	-	565,381
Total (decrease) increase in net assets	(15,356,942)	21,856,058	6,499,116
<b>Net assets</b>			
Beginning of year	438,230,029	122,932,331	561,162,360
End of year	\$ 422,873,087	\$ 144,788,389	\$ 567,661,476

The accompanying notes are an integral part of these consolidated financial statements.



# WGBH Educational Foundation and Subsidiaries

## Consolidated Statements of Cash Flows

### Years Ended June 30, 2024 and 2023

	2024	2023
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 8,528,974	\$ 6,499,116
Adjustments to reconcile increase in net assets to cash used in operating activities		
Change in realized and unrealized gains on investments, split interest agreements, and beneficial interest in perpetual trusts	(46,020,833)	(31,386,110)
Depreciation and amortization	8,634,288	8,435,372
Amortization of film assets	77,500,565	73,236,493
Amortization of deferred assets and deferred liabilities	261,284	212,698
Amortization of right-of-use assets	2,687,935	2,103,163
Gain on equity investments	(16,960,036)	(14,601,219)
Distributions received from equity investments	8,392,542	12,386,912
Loss on disposal of assets	13,093	211,209
Contributions of securities	(1,033,875)	(2,590,596)
Proceeds from sale of contributed securities	493,331	367,309
Contributions restricted for investment in facilities and endowment	-	(411,223)
Accretion of interest on long-term receivables for asset sales	(5,416,564)	(5,407,444)
Bad debt expense	191,294	410,170
Changes in operating assets and liabilities		
Accounts receivable	(6,487,708)	10,225,356
Grants receivable	2,225,117	(10,937,004)
Pledges receivable	4,008,363	(633,296)
Prepaid expenses and other assets	337,577	259,967
Receivables for asset sales	5,194,846	5,249,841
Film assets	(86,955,449)	(70,207,033)
Accounts payable	1,631,054	26,458
Royalties payable	(740,332)	(764,639)
Accrued expenses	(806,747)	(1,179,889)
Accrued bond interest	791,696	2,370,249
Lease liabilities	(1,485,842)	(1,520,583)
Deferred revenue and other liabilities	(10,952,649)	(7,323,954)
Cash flows used in operating activities	<u>(55,968,076)</u>	<u>(24,968,677)</u>
<b>Cash flows from investing activities</b>		
Purchases of property, facilities and equipment	(3,162,741)	(6,809,682)
Purchases of investments	(39,727,376)	(45,850,530)
Proceeds from sales of investments	72,057,333	48,724,796
Proceeds from disposal of long-term assets	-	841,309
Proceeds from the sale of contributed securities	388,107	61,679
(Increase) decrease in funds held under bond agreement	<u>(829,431)</u>	<u>6,517,280</u>
Cash flows provided by investing activities	<u>28,725,892</u>	<u>3,484,852</u>
<b>Cash flows from financing activities</b>		
Contributions restricted for investment in facilities and endowment	-	411,223
Proceeds from split interest agreement distribution for endowment	153,056	13,622
Proceeds from the sale of contributed securities	507,579	1,846,638
Principal payments on finance leases	(270,989)	(10,328)
Line of credit advances	42,563,421	38,013,201
Line of credit payments	(35,050,826)	(36,496,522)
Proceeds from issuance of long term debt	17,686	-
Repayment of long-term debt	<u>(3,726,196)</u>	<u>(2,811,841)</u>
Cash flows provided by financing activities	<u>4,193,731</u>	<u>965,993</u>
Net decrease in cash	<u>(23,048,453)</u>	<u>(20,517,832)</u>
<b>Cash</b>		
Beginning of year	<u>40,833,968</u>	<u>61,351,800</u>
End of year	<u>\$ 17,785,515</u>	<u>\$ 40,833,968</u>
<b>Supplemental cash flow information</b>		
Interest paid	\$ 8,565,941	\$ 6,848,963
In-kind contributions and donated services	1,619,137	1,257,189
Property, facilities and equipment included in accounts payable and accrued expenses	100,489	911,554
Film assets included in accounts payable and accrued expenses	5,628,179	4,116,680

The accompanying notes are an integral part of these consolidated financial statements.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2024**

Operating Expenses	Programming and Production	Broadcasting	Guides and Educational Material	Total Program Services	Fundraising and Development	Underwriting	General and Administrative	Total Supporting Services	Total Operating Expenses
Salaries and wages	\$ 67,943,254	\$ 7,768,619	\$ 7,312,202	\$ 83,024,075	\$ 8,202,384	\$ 5,454,243	\$ 13,288,102	\$ 26,944,729	\$ 109,968,804
Retirement plan contributions	1,996,961	242,201	124,121	2,363,283	243,626	156,228	411,374	811,228	3,174,511
Other employee benefits	7,404,640	803,956	475,335	8,683,931	889,808	594,529	781,763	2,266,100	10,950,031
Payroll taxes	4,891,287	555,030	310,115	5,756,432	584,058	388,078	1,045,996	2,018,132	7,774,564
Legal fees	363,541	43,504	17,433	424,478	44,000	9,581	197,566	251,147	675,625
Accounting fees	348,938	27,664	19,112	395,714	49,327	10,492	572,282	632,101	1,027,815
Consulting and advisory services	4,020,061	1,028,935	2,330,204	7,379,200	731,177	129,075	994,997	1,855,249	9,234,449
Marketing and promotions	3,187,381	776,424	1,061,455	5,025,260	1,613,292	204,713	62,915	1,880,920	6,906,180
Information technology	4,933,349	1,183,508	3,104,186	9,221,043	457,778	268,714	655,782	1,382,274	10,603,317
Occupancy	4,721,717	1,085,982	316,178	6,123,877	540,427	214,524	892,229	1,647,180	7,771,057
Travel	2,924,650	85,934	76,908	3,087,492	128,612	51,968	233,899	414,479	3,501,971
Interest	6,350,551	577,525	314,734	7,242,810	707,012	256,702	1,439,023	2,402,737	9,645,547
Depreciation and amortization	4,978,361	2,153,810	220,770	7,352,941	489,034	181,219	983,713	1,653,966	9,006,907
Equipment expense	446,752	33,730	21,879	502,361	26,902	5,182	67,043	99,127	601,488
Insurance	936,917	61,743	36,781	1,035,441	95,964	20,192	449,565	565,721	1,601,162
Digital services	2,611,148	139,781	121,910	2,872,839	258,266	179,746	571,589	1,009,601	3,882,440
Rights and licenses	79,470	1,918	339,089	420,477	137	76	199	412	420,889
Production and acquisitions	63,729,329	7,957,704	188,449	71,875,482	473,073	63,430	83,389	619,892	72,495,374
In-kind	1,142,795	147,261	26,642	1,316,698	81,898	176,440	44,101	302,439	1,619,137
Bad debt	5,186	991	10,318	16,495	62,631	(13,626)	166,025	215,030	231,525
Miscellaneous	1,199,364	153,993	324,899	1,678,256	1,747,256	43,085	247,126	2,037,467	3,715,723
Distribution	-	17,175,790	-	17,175,790	-	-	-	-	17,175,790
Total operating expenses	<u>\$ 184,215,652</u>	<u>\$ 42,006,003</u>	<u>\$ 16,752,720</u>	<u>\$ 242,974,375</u>	<u>\$ 17,426,662</u>	<u>\$ 8,394,591</u>	<u>\$ 23,188,678</u>	<u>\$ 49,009,931</u>	<u>\$ 291,984,306</u>

The accompanying notes are an integral part of these consolidated financial statements.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidated Statement of Functional Expenses**  
**Year Ended June 30, 2023**

Operating Expenses	2023								
	Program Services				Support Services				
	Programming and Production	Broadcasting	Public Information, Guides and Educational Material	Total Program Services	Fundraising and Development	Underwriting	General and Administrative	Total Supporting Services	Total Operating Expenses
Salaries and wages	\$ 64,308,263	\$ 8,143,428	\$ 6,719,631	\$ 79,171,322	\$ 7,903,460	\$ 5,514,914	\$ 16,179,128	\$ 29,597,502	\$ 108,768,824
Retirement plan contributions	1,810,359	237,443	114,654	2,162,456	220,049	151,062	476,888	847,999	3,010,455
Other employee benefits	8,113,617	868,343	538,818	9,520,778	953,445	698,927	1,529,320	3,181,692	12,702,470
Payroll taxes	4,800,642	586,367	311,406	5,698,415	569,572	406,624	1,247,884	2,224,080	7,922,495
Legal fees	273,873	42,517	12,803	329,193	35,829	7,013	382,291	425,133	754,326
Accounting fees	258,961	23,666	16,289	298,916	42,718	8,487	669,236	720,441	1,019,357
Consulting and advisory services	4,217,114	1,019,371	2,826,594	8,063,079	1,282,451	56,698	1,456,291	2,795,440	10,858,519
Marketing and promotions	2,773,660	1,378,713	1,163,715	5,316,088	2,326,782	189,095	157,478	2,673,355	7,989,443
Information technology	4,351,632	1,026,590	2,799,777	8,177,999	367,703	223,005	1,383,576	1,974,284	10,152,283
Occupancy	4,630,523	919,148	258,331	5,808,002	533,318	212,753	1,429,541	2,175,612	7,983,614
Travel	2,456,008	155,687	87,813	2,699,508	113,033	30,666	250,583	394,282	3,093,790
Interest	5,650,738	475,275	303,607	6,429,620	683,431	247,705	1,869,389	2,800,525	9,230,145
Depreciation and amortization	4,484,776	1,723,128	224,973	6,432,877	475,030	169,616	1,531,795	2,176,441	8,609,318
Equipment expense	344,928	27,273	33,167	405,368	38,259	6,131	144,915	189,305	594,673
Insurance	817,638	58,144	33,700	909,482	90,645	17,557	613,585	721,787	1,631,269
Digital services	2,073,294	100,771	92,626	2,266,691	240,386	85,400	753,575	1,079,361	3,346,052
Rights and licenses	499,625	1,962	227,739	729,326	156	181	734	1,071	730,397
Production and acquisitions	57,303,691	9,885,522	232,593	67,421,806	413,789	96,256	213,831	723,876	68,145,682
In-kind	858,883	116,898	27,321	1,003,102	83,447	129,342	41,298	254,087	1,257,189
Bad debt	43,877	3,554	4,762	52,193	(9,617)	328,748	153,511	472,642	524,835
Miscellaneous	1,235,642	213,334	183,000	1,631,976	1,508,497	26,095	845,990	2,380,582	4,012,558
Distribution	-	15,971,386	-	15,971,386	-	-	-	-	15,971,386
Total operating expenses	\$ 171,307,744	\$ 42,978,520	\$ 16,213,319	\$ 230,499,583	\$ 17,872,383	\$ 8,606,275	\$ 31,330,839	\$ 57,809,497	\$ 288,309,080

The accompanying notes are an integral part of these consolidated financial statements.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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#### 1. Summary of Significant Accounting Policies

##### **Basis of Financial Statement Presentation**

The consolidated financial statements of WGBH Educational Foundation and Subsidiaries (the "Foundation") include the accounts of WGBH Educational Foundation and its wholly owned affiliated stations (WGBH-TV, WGBX-TV, WGBH-Radio, WCRB-Radio, WCAI-Radio, WNAN-Radio and Public Television Playhouse), collectively referred to herein as "GBH", as well as its subsidiaries PRX, Inc. ("PRX"), Contributor Development Partnership ("CDP") and New England Public Media, Inc. ("NEPM").

GBH is the sole corporate member of PRX and NEPM. PRX is a consolidated organization made up of PRX, Inc. and Public Radio International, Inc. ("PRI").

The Foundation held an 83% and 83% equity interest in CDP during the years ended June 30, 2024 and 2023, respectively. The Foundation has included CDP in the consolidated financial statements for the years ended June 30, 2024 and 2023, in accordance with ASC 810 *Consolidation*. The portion of CDP's shareholder's equity owned by other investors is reflected in the consolidated statements of financial position and statements of activities as a noncontrolling interest.

All significant intercompany accounts and transactions have been eliminated.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Net assets are classified as either with donor restrictions or without donor restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

##### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are the part of net assets of a not-for-profit entity that are not subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates and c) the purposes specified in its articles of incorporation or bylaws or comparable documents. This classification includes all revenues, gains and expenses not restricted by donors. The Foundation reports all expenditures in this class of net assets since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees (the "Board"). Upon approval by the Board, transfers are made between undesignated and board-designated net assets without donor restrictions.

##### ***Net Assets With Donor Restrictions***

Net assets with donor restrictions are the part of net assets of a not-for-profit entity subject to donor-imposed restrictions. These include contributions for which donor-imposed restrictions have not been met, endowment gifts required to be retained for either a term or in perpetuity, investment income and appreciation on endowment funds, charitable remainder unitrusts, pooled income funds, gift annuities, beneficial interests in perpetual trusts and pledges receivable.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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Donor-imposed restrictions may expire due to the passage of time or through actions of the Foundation pursuant to the stipulations of the donor. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions. The Foundation has not elected the simultaneous release option for unconditional nonexchange transactions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted gifts and pledges whose purpose restrictions are met in the same reporting year as the revenue is recognized.

The Foundation receives contributions from the Corporation for Public Broadcasting ("CPB"), foundations, major donors, and federal grants for the production of television programming. These contributions are reported as increases in net assets with donor restrictions. The Foundation's policy is to release the contributions into net assets without donor restrictions upon delivery of the completed film. A completed film is defined as a single episode in a television series.

Contributions received which are designated to support purposes other than television programming are released from restriction as costs are incurred on the project.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities in accordance with the overall mission of the Foundation. In the consolidated statement of functional expenses, each functional classification displays all expenses related to the underlying operations by natural classification. Accordingly, certain costs, such as salaries, benefits, depreciation and maintenance have been allocated among the respective program and support services benefited based on total personnel costs or other systematic methods.

Depreciation expense associated with the Foundation's buildings are allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt.

#### **Use of Estimates**

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the revenues and expenses reported for the period.

Significant estimates include radio and television licenses, royalties payable, deferred revenue and other liabilities, and the valuation of nonmarketable investments (Notes 5 and 6). Actual results could differ from those estimates.

#### **Related Parties**

The Foundation may procure from time to time certain services from business organizations that employ individuals that are also members of the Foundation's Board. The procurement of these services is performed in accordance with the Foundation's established policies and procedures, and management and the Board report and monitor related party transactions in accordance with the Foundation's Conflict of Interest Policy.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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The Chief Executive Officer is a Board member of Public Media Distribution LLC, which conducts business under the name PBS Distribution ("PBSd"), an affiliate in which the Foundation holds a 34% and 32% ownership interest as of June 30, 2024 and 2023, respectively. In 2024 and 2023, the Foundation provided rental space and administrative support services to PBSd. For the years ended June 30, 2024 and 2023, the Foundation earned \$148,000 and \$210,000 in rental income, respectively, and has net receivables of \$94,000 and \$58,900 for administrative support services as of June 30, 2024 and 2023, respectively.

One executive of the Foundation's affiliates serves as a director on the board of RadioPublic PBC ("RadioPublic"). This individual is the Chief Executive Officer of PRX, a voting board member. The Foundation holds a 13% interest in the voting shares of RadioPublic as of June 30, 2024 and 2023, valued at a total of \$454,000.

There were eight members of PRX's board of directors employed by member radio stations and one employed by a corporate funder as of June 30, 2024 and 2023. Revenue recognized from the member stations was \$782,000 and \$739,000 for the fiscal years ended June 30, 2024 and June 30, 2023, respectively. Member stations contributed to expenses in the amount of \$4,727,000 and \$3,604,000 for the years ended June 30, 2024 and 2023, respectively. For both years, substantially all the activity was related to transactions with one station, incurred in the normal course of PRX's operations. Revenue recognized from the corporate funder was \$112,000 and \$122,000 for the years ended June 30, 2024 and 2023, respectively. PRX had accounts receivable of \$0 and \$283,000 from the corporate funder as of June 30, 2024 and 2023, respectively. The corporate funder contributed to expenses in the amount of \$109,000 and \$102,000 during the years ended June 30, 2024 and 2023, respectively.

### Changes in Accounting Principle

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (ASC 326): Measurement of Credit Losses on Financial Instruments*, which introduces new guidance for the accounting for credit losses on financial assets within its scope. The amendments in this Update require a financial asset (or a group of financial assets) measured at amortized cost to be presented at the amount that is expected to be collected on the financial asset, net of an allowance for credit losses. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. The amendments in this Update include items brought to the FASB's attention by stakeholders. The amendments align the implementation date for nonpublic entities' annual financial statements with the implementation date for their interim financial statements and clarify the scope of the guidance in the amendments in Update 2016-13. This standard is effective for annual periods beginning after December 15, 2022, or fiscal year 2024 for the Foundation. The standard did not have a material impact on the consolidated financial statements.

### Revenue Recognition

The Foundation recognizes revenue from a variety of sources, including but not limited to the following:

- Revenue derived from the licensing of films produced by the Foundation is recognized as revenue without donor restrictions when the film is provided to the broadcaster. Consideration is variable; contracts contain provisions for return of unspent funds. Licensing revenue which is unrelated to the production of films is recognized when the asset being licensed is made available to the customer for use.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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- Underwriting revenue consists of national and local corporate sponsorship. National corporate underwriting for films is recognized as revenue without donor restrictions when the related film is provided to the broadcaster. For the years ended June 30, 2024 and 2023, national corporate underwriting for films totaled \$13,283,000 and \$13,269,000, respectively.
- National corporate underwriting raised by PRX to support their operations and local corporate sponsorship supporting GBH and NEPM operations is recognized as revenue without donor restrictions when the related sponsorship credit is run on Foundation broadcasts. For the years ended June 30, 2024 and 2023, national corporate underwriting for PRX totaled \$10,506,000 and \$12,801,000 and local corporate underwriting for GBH and NEPM totaled \$8,122,000 and \$9,099,000, respectively.
- Viewer and listener support consists of contributions from the general public to support the general operations of the Foundation and are recognized upon receipt.
- Revenue from unconditional contributions include foundation grants and gifts from major donors. They are recognized as revenue with donor restrictions upon notice of the donor's unconditional promise to give and are reflected in the grants and contributions line of the consolidated statement of activities. Revenue is released from restriction when the time or purpose restriction has been met.
- Federal and CPB grants are conditional contributions and recognized as revenue with donor restrictions when the related conditions are met. These nonexchange agreements are considered conditional if the terms of the agreement include both a right of return of assets received/promised and a barrier to entitlement. Conditional agreements are not recognized until the conditions and barriers on which they depend are met. They are reflected in the grants and contributions line of the consolidated statement of activities. Revenue is released from restriction when the time or purpose restriction has been met.

The Foundation has \$14,039,000 and \$20,179,000 of unfulfilled conditional grants, as of June 30, 2024 and 2023, respectively. Federal grants comprised \$5,689,000 and \$6,659,000 as of June 30, 2024 and 2023, respectively. CPB grants comprised \$6,934,000 and \$13,270,000 as of June 30, 2024 and 2023, respectively. The remaining \$1,416,000 and \$250,000 consisted of foundation grants contingent upon matching requirements or other donor-imposed conditions, as of June 30, 2024 and 2023, respectively.

- Community service grants from CPB are recognized as revenue without donor restrictions upon receipt of the award letter from CPB.
- Revenue from royalties is recognized in the period in which the underlying sales to third parties take place. Consideration in royalty transactions is variable. For certain royalty arrangements, the time period between when sales to third parties take place and when cash is ultimately distributed to the Foundation is several years, and reliable interim estimates of future revenue cannot be obtained. In these scenarios, revenue is recognized when the consideration to which the Foundation expects to be entitled can be reasonably estimated.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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- Captioning and ancillary services revenue primarily consists of consulting services provided by the Foundation's National Center for Accessible Media ("NCAM") and closed captioning and descriptive video services provided by the Foundation's Media Access Group ("MAG"). Recognition of captioning and ancillary revenue varies depending on the structure of the contract and its performance obligations, with some sources recognized at a point in time and others recognized over time. Those contracts recognized over time represent services which are simultaneously offered to and consumed by the customer over the duration of the contract and reflect an equitable distribution of service over the period.
- Planned giving consists of contributions from the estates of deceased donors as well as gifts made to the Foundation in the form of charitable gift annuities, pooled life income funds, or charitable remainder trusts. Revenue is recognized as increases in net assets without donor restrictions or with donor restrictions upon notification of the gift, depending on the nature of the restriction identified by the donor.
- In-kind contributions, donated services and educational materials whose value is measurable are recorded at the estimated fair value of the related services or educational material as revenue and expense, or capitalized as assets, when received. The fair value is determined based on the donor's usual and customary fees charged to paying customers for equivalent goods and services. Donated services and materials are received by the Foundation from various professional and educational organizations and relate principally to educational material promotion, advertising, and production in the support of national programming. The economic benefit and associated costs of these donated services and materials are recorded in the accompanying consolidated financial statements as revenue and expense at the estimated fair value of the services received to the extent that the services require specialized skills, would be purchased by the Foundation if not donated, and that the services create or enhance nonfinancial assets.
- Affiliation fees are charged based on the affiliation status, market size, and total station revenue of radio station affiliates. The Foundation recognizes revenue from these affiliation fees pro rata over the twelve-month period. Amounts received for future periods are recognized as deferred revenue.
- Distribution fees are charged for providing satellite distribution services to producers and are recognized as revenue and expense in the period the related services are performed.
- Other services revenue consists of production, creative design, and radio services provided to other organizations. It also includes fundraising services provided to other public broadcasting stations and work-for-hire services. Revenue is recognized in net assets without donor restrictions over the period in which the service is provided.
- Miscellaneous income consists of channel sharing revenue, revenue derived from the rental of office space, the filing of film tax credits, and commissions earned from securing sponsorships for third party producers. Revenue is recognized upon the Foundation's delivery of the specified performance obligation. Rental income is recognized in the period in which the space is occupied, film tax credit revenue is recognized when the tax credit application is submitted, and third-party sponsorship commissions are recognized when earned. Channel sharing revenue is recognized ratably over the term of the hosting period.



# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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The consolidated statements of activities reflect the disaggregation of revenues earned by the Foundation. Revenues earned from licensing, underwriting, royalties, captioning and ancillary services, other services, affiliation, and distribution fees are all recognized in accordance with ASC 606 *Revenue from Contracts with Customers*. With the exception of rental income, which is recognized in accordance with ASC 842 *Leases*, all miscellaneous income is also recognized in accordance with ASC 606. Customer payment is generally due within 30 days of invoice date.

Revenues earned from contributions, community service grants, federal and CPB grants, and major donors are recognized in accordance with ASC 958 *Not-for-Profit Entities*.

#### **Contract Costs (Film Assets)**

In accordance with ASC 606, incremental costs to obtain a contract are capitalized and amortized if the costs are expected to be recoverable. Film assets are the capitalized costs of developing television programs to license to a third party. Film assets are capitalized when production costs are incurred. They are amortized on an episodic basis as the content is delivered to the broadcaster and are recognized in the consolidated statement of activities in programming and production costs. The Foundation capitalizes all television production costs incurred, except for overhead, which is expensed as incurred. No impairment charges were recognized for television content costs in the year ended June 30, 2024 or 2023. As of June 30, 2024 and 2023, the Foundation capitalized film production costs totaling \$45,745,000 and \$37,801,000, respectively.

#### **Arrangements With Multiple Performance Obligations**

The Foundation's contracts with customers may include multiple performance obligations. For licensing of films and national corporate underwriting, the Foundation allocates revenue to performance obligations based on costs incurred to produce the specific deliverable. In contracts where consideration is variable as a result of cost savings, an estimate of the change in consideration is applied to the revenue recognition for the final deliverable on the contract. For local corporate underwriting, licensing unrelated to television content, captioning and ancillary services, other services, and miscellaneous revenue, the Foundation allocates revenue to each performance obligation based on its relative standalone selling price.

#### **Contract Assets and Liabilities**

The Foundation records a receivable when there is an unconditional right to consideration based on a contract with a customer. A contract liability ("deferred revenue") is recorded when cash is received or due in advance of the Foundation's performance and is recognized into revenue as the Foundation fulfills the respective performance obligation(s).

#### **Channel Sharing**

On October 18, 2017, the Foundation entered into a channel sharing agreement with a third party, in which the Foundation is providing hosting services. The proceeds are being recognized as revenue in equal installments over a period of 25 years, starting at the commencement of the agreement. For the years ended June 30, 2024 and 2023, \$3,012,000 was recognized as miscellaneous income in the consolidated statement of activities, and \$54,216,000 and \$57,228,000 was recorded in deferred revenue and other liabilities in the consolidated statements of financial position at June 30, 2024 and 2023, respectively.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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### Public Media Management

In March 2015, the Foundation entered into a joint venture with Sony Electronics Inc. through its Professional Solutions of America Division ("Sony"). The Foundation's agreement provides for the creation of Content Distribution Services ("CDS") which utilizes Network Operations Centers ("NOC") to provide an automated workflow to enable program content to flow from Sony's Ci Cloud to others, without operator intervention. The agreement provided that Sony will share in expenses and revenue at 60%, and the Foundation at 40%.

In March 2020, GBH and PMG JMC LLC ("PMG") entered into an asset purchase agreement where GBH agreed to sell, assign, transfer, convey and deliver to PMG all of GBH's right, title and interest in the Public Media Management assets and collaboration with Sony for a base purchase price of \$750,000. Principal is due and payable pursuant to a promissory note, in annual installments of \$75,000, commencing on March 31, 2020 and continuing on March 31 of each year thereafter through March 31, 2029. The gross outstanding balance of the receivable as of June 30, 2024 and 2023 was \$375,000 and \$450,000, respectively. During the years ended June 30, 2024 and 2023, accretion of interest revenue on long-term receivables was recorded in the statements of activities totaling \$20,000 and \$23,000, respectively.

### Cash

The Foundation maintains its cash balance with three institutions and was approximately \$17,786,000 and \$40,834,000 at June 30, 2024 and 2023, respectively.

Cash includes amounts on deposit with financial institutions, including overnight sweep accounts with a majority invested in government and treasury money market funds. Short term highly liquid investments held within the endowment and similar investment pools are classified as short-term investments rather than cash equivalents and restricted cash is defined as that which is legally restricted to withdrawal and usage.

### Investments

Short-term investments consist of investments in government and treasury money market funds, commercial paper and fixed income securities with original maturities less than one year from the date of the statement of financial position. Long-term investments consist of investments with maturities of greater than one year.

Investments are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on June 30, 2024 and 2023; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. Private equity and certain other nonmarketable securities, and certain of the Foundation's investments in hard assets, are valued using current estimates of fair value obtained from the general partner or investment manager in the absence of readily determinable public market values. Such valuations may reflect discounts for liquidity and consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, and other pertinent information. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of investments. Since there are inherent uncertainties in valuing certain of these investments, the investment manager or general partner's estimate may differ from the values that would have been used had a ready market existed and the differences could be significant. The agreements underlying participation in nonmarketable investment funds may limit the Foundation's ability to liquidate its interest in such investments for a period of time. The Foundation believes that the carrying amount of its nonmarketable securities is a reasonable estimate of fair value as of

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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June 30, 2024 and 2023. The carrying values of the investments in the limited partnerships are based on reports from each limited partnership. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment income or loss (including unrealized and realized gains and losses on investments, interest, and dividends) and unrealized changes in equity interests in limited partnerships are recorded as nonoperating gains (losses) unless the income is restricted by donor or law. If restricted by donor or law, they are reported as follows:

- As increases in net assets with donor restrictions if the terms of the underlying gift require that they be added to the principal of a permanent endowment fund; and
- As increases in net assets with donor restrictions if the terms of the underlying gift or relevant state law impose restrictions on the current use of the income or net gains. The Foundation has relied on the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), enacted by the Commonwealth of Massachusetts in July 2009, regarding relevant state law that unappropriated endowment gains should generally be classified as net assets with donor restrictions until appropriated by the Board of Trustees.

Annually, the Foundation reviews investments where the fair value is substantially below cost, and in cases where the decline is considered to be "other than temporary," an adjustment is recorded as a realized loss, and a new cost basis is established. At June 30, 2024 and 2023, there were no investments that had fair values less than cost that were determined to be other than temporary.

#### **Pledges Receivable**

Unconditional promises to give are recorded as pledges receivable in the consolidated financial statements when the donor's commitment is received. Unconditional promises to give that are expected to be fulfilled within one year are recorded at fair value. Multi-year unconditional promises are recognized at the present value of the future expected cash flows, less an appropriate reserve for uncollectible pledges. Discounts are calculated using the Foundation's taxable unsecured borrowing rate, which considers market and credit risk. Subsequent years' accretion of the discount is included in contribution revenue and used in accordance with any donor-imposed restrictions on the contributions. The allowance for doubtful accounts is based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Conditional promises to give are considered conditional if the terms of the agreement include both a right of return of assets received/promised and a barrier to entitlement. Conditional agreements are not recognized as pledges receivable until the conditions and barriers on which they depend are met.

#### **Radio and Television Licenses**

The Foundation owns various radio licenses for five separate radio frequencies which cover Cape Cod, the islands of Martha's Vineyard and Nantucket, Greater Boston and Southern New Hampshire. These radio licenses are indefinite-lived assets and are subject to at least annual impairment testing.

In December 2017, the Foundation received a contribution of the Federal Communications Commission ("FCC") license for television station WFXZ-CD, Boston, Massachusetts, with a fair value of \$1,860,000.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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In July 2019, the Foundation acquired four separate radio frequencies from New England Public Radio ("NEPR"). The radio licenses acquired include frequencies with call signs WNNZ-AM, WNNZ-FM, WNNU-FM, and WNNI-FM. The radio licenses have been recognized in the financial statements as indefinite-lived intangible assets with an aggregate fair value of \$2,780,000.

The combined value for these radio and television licenses was \$20,447,000 at June 30, 2024 and 2023, respectively.

#### **Intangible Assets**

Intangible assets were recorded in conjunction with the acquisition of PRX in 2019. They consist of PRX trademarks and tradenames with carrying values of \$380,000 as of June 30, 2024 and June 30, 2023. The trademarks and tradenames are indefinite lived.

#### **Other Assets**

Other assets consist of capitalized broker fees, deferred compensation, deferred rental assets, outside managed trusts and a beneficial interest in perpetual trust.

#### **Equity Investments**

In 2008, the Foundation acquired a 20% equity share in National Public Media LLC ("NPM"), a private marketing firm, for \$1,600,000. In 2009, the members of NPM issued additional shares, which diluted the Foundation's share of ownership of NPM to 18%. This investment is recorded using the equity method of accounting. The equity method has been chosen since the investment is not publicly traded and the Foundation has significant influence over the operations of NPM. The carrying amount of this investment was \$119,000 at June 30, 2024 and 2023, respectively, with the corresponding gains and losses included in the gain on equity investments within operating revenue in the consolidated statement of activities.

Effective January 1, 2009, the Foundation entered into a joint venture with Public Broadcasting Service ("PBS") to form PBSd (a Delaware Limited Liability Company). The purpose of PBSd is to further the educational mission of public broadcasting and other media through worldwide distribution of public television content and other high-quality content as provided by and on behalf of its members. The Foundation's initial capital contribution represented a 40% interest in PBSd. The investment is recorded using the equity method of accounting with net income allocated to the Foundation subject to certain revenue thresholds and consumer price index ("CPI") escalators. The carrying amount of this investment was \$45,332,000 and \$37,081,000 at June 30, 2024 and 2023, respectively, with the corresponding gains included in the gain on equity investments within operating revenue in the consolidated statement of activities.

As of June 30, 2024 and 2023, the Foundation held a consolidated interest of 13% in the voting shares of RadioPublic. RadioPublic is a public benefit corporation focused on creating consumer applications for the podcasting industry. As of June 30, 2024 and 2023, the investment is valued at the lower of cost or fair value, as the Foundation owns less than 20% and does not exercise significant influence over the operations of RadioPublic. The carrying amount of this investment was \$454,000 at June 30, 2024 and 2023.

During the fiscal year ended June 30, 2024, the Foundation obtained a 23.91% ownership interest in Signal Infrastructure Group. The Chief Operating Officer is a member of the Board of Directors. As of June 30, 2024, the carrying amount of this investment is valued at \$316,000 in the consolidated statement of financial position.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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#### **Property, Facilities and Equipment**

Property, facilities and equipment are reported at cost at the date of acquisition, or estimated fair value at the date of donation, in the case of gifts, less accumulated depreciation. For assets placed in service, depreciation is provided using the straight-line method over the estimated useful life of the asset (or for leasehold improvements over the related lease term, whichever is shorter) which range from 3 to 40 years.

Maintenance and repairs are charged to expense as incurred; betterments are capitalized. Upon retirement or sale of property, facilities and equipment, the cost of the disposed assets and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to net assets without donor restrictions.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

#### **Split Interest Agreements**

Various benefactors have made contributions to the pooled life income Fund ("PIF") in the Foundation's name. Upon donation, these amounts are recorded as contribution revenue at the estimated present value of the expected future cash flows, and are classified as net assets with donor restrictions. These funds are divided into units and pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry to the pooled fund. Until a donor's death, the donor or donor's named beneficiary is paid the income earned on the donor's assigned units. Upon the death of the donors or their named beneficiaries, the value of these assigned units reverts to the Foundation.

The Foundation has received contributions in the form of charitable gift annuities ("CGA"). The donor contributes assets to the Foundation in exchange for a promise by the Foundation to pay annuity payments based on the agreements between the donor and the Foundation. Gift annuity donations are recorded as donor restricted revenue, net of the estimated liability to the donor, at the date of gift.

The Foundation has also received contributions, mostly investment securities, of interests in irrevocable charitable remainder trusts ("CRT") for which the Foundation serves as the trustee. The principal amounts of such gifts are established in trusts maintained by independent fiduciaries. Upon donation, the fair value of these gifts are recorded as assets. Donor restricted contribution revenue and support is recognized after recording a liability for the estimated present value of future annuity payments. The liabilities and revenue are adjusted during the term of the agreement for changes in the value of the assets and changes to estimates of future benefits to the donors or their named beneficiaries. Upon the death of the donors or their named beneficiaries, the remaining value of the fund reverts to the Foundation.

PIF, CGA and CRTs are recorded in long-term investments on the statement of financial position. The Foundation also has received contributions of interests in irrevocable charitable remainder trusts for which the Foundation does not serve as the trustee. The Foundation records its beneficial interest in these assets as donor restricted contribution revenue, as appropriate, and other assets at the estimated present value of the future distributions expected to be received over the term of the agreement. Adjustments to the beneficial interest, to reflect changes in the fair value, are recognized as changes in the value of split interest agreements. Upon the death of donors or their named beneficiaries, the assets received by the Foundation from the trust are

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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recognized at fair value, and any difference is reported as a change in the value of split interest agreements donor restricted net assets, as appropriate.

#### **Beneficial Interest in Perpetual Trust**

The Foundation has a beneficial interest in the Ralph Lowell Fund (the "Fund") held by the Boston Foundation ("TBF"). The annual distribution from the Fund is recorded as investment income in the consolidated statements of activities.

The fair value of the Fund was \$1,189,000 and \$1,137,000 at June 30, 2024 and 2023, respectively. Grant distributions in the amounts of \$48,000 and \$48,000, were made to the Foundation during the years ended June 30, 2024 and 2023, respectively, and were recorded as investment income in the consolidated statements of activities.

#### **Royalties Payable**

The Foundation recognizes royalty revenue pursuant to terms outlined in the rights sales agreements. Royalty agreements exist with third-parties from which the third-party receives a percentage of net royalty revenue received by the Foundation. These amounts are accrued for and recorded as a royalty payable when the royalty revenue is recorded by the Foundation.

#### **Income Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. US GAAP requires the Foundation to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Foundation has analyzed the tax positions taken and has concluded that as of June 30, 2024 and 2023, there are no significant uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

#### **Fair Value of Financial Instruments**

The fair value of the Foundation's financial instruments approximates the carrying amount reported in the consolidated statement of financial position for cash, investments, split-interest agreements and payables.

#### **Health Insurance Plan**

GBH, NEPM and PRX are self-insured for all of their employee health insurance plans. These costs are accounted for on an accrual basis to include estimates of future payments on claims incurred as of the date of the statement of financial position and are included in accounts payable and accrued expenses on the statement of financial position.

## **2. Contract Assets and Liabilities**

The Foundation enters into multi-year contractual agreements with customers for licensing of television content and corporate underwriting. Contract assets represent accounts receivable which have been earned by the Foundation but not yet billed to the customer. Unbilled receivables are recorded within accounts receivable in the consolidated statements of financial position. The Foundation recorded \$12,496,000 and \$7,182,000 in unbilled accounts receivable for multi-year contracts with customers as of June 30, 2024 and 2023, respectively.

Contract liabilities represent amounts collected from customers for performance obligations which have not yet been satisfied by the Foundation. The Foundation had \$63,619,000 and \$74,062,000 in deferred revenue for contracts with customers as of June 30, 2024 and 2023, respectively.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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Deferred revenue of \$11,472,000 and \$16,071,000 was recognized as revenue during fiscal years 2024 and 2023.

As of June 30, 2024 and 2023, the Foundation had unfulfilled performance obligations totaling \$72,059,000 and \$85,440,000 on licensing contracts and \$12,335,000 and \$8,661,000 on national underwriting contracts. The revenue is expected to be recognized over the next 3 years for licensing and national underwriting.

Contracts with customers associated with local corporate underwriting, affiliation fees or distribution fees have an original duration of less than one year; any unfulfilled performance obligations as of June 30, 2024 are expected to be fulfilled by June 30, 2025.

The Foundation also has contracts with customers for consulting services which are recognized in captioning and ancillary services and miscellaneous revenue within the consolidated statement of activities. Revenue is recognized as services are delivered.

Royalty agreements may extend beyond one year. However, the consideration is variable as it is based on sales. The recognition of future revenue on these contracts cannot be reliably estimated.

The Foundation's accounts receivable represents invoiced and unbilled amounts due from various customers. As of June 30, 2024 and 2023 there were two customers which comprised 42% and 30% of total accounts receivable, respectively.

### **3. Receivables for Asset Sales**

On March 21, 2002, the Foundation sold certain real estate for \$282,316,000. At that time, the Foundation recorded a noninterest-bearing note receivable of \$282,316,000, which is carried at its present value of approximately \$101,696,000 and \$101,420,000 in the consolidated statement of financial position at June 30, 2024 and 2023, respectively. Accretion of the discount is recorded as revenue without donor restrictions in the consolidated statement of activities over the period of repayment.

Under the contract terms, the Foundation received the first payment in December 2004 and is being paid in semi-annual installments with a maturity date of December 2041.

On March 26, 2020, the Foundation sold certain nonfinancial assets for \$750,000. At that time, the Foundation recorded a noninterest-bearing note receivable of \$675,000, which is carried at its present value of approximately \$326,000 and \$381,000 in the consolidated statements of financial position at June 30, 2024 and 2023, respectively. Accretion of the discount is recorded as revenue without donor restrictions in the consolidated statement of activities over the period of repayment.

Under the contract terms, the Foundation received the first payment at the closing date and is being paid in annual installments with a maturity date of March 31, 2029.

The Foundation assesses the collectability of long term receivables by considering factors such as the economic risk associated with the receivables and the financial condition and economic environment of the organization from which the receivables are due. There is no allowance for doubtful accounts associated with these receivables.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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#### 4. Pledges Receivable

Pledges receivable at June 30, 2024 and 2023 are comprised of the following:

	2024	2023
In less than one year	\$ 3,349,598	\$ 6,759,642
Allowance for unfulfilled pledges	(63,257)	(74,298)
Pledges receivables, net	\$ 3,286,341	\$ 6,685,344
Between one year and five years	\$ 2,757,500	\$ 3,372,400
Less: Present value discount	(321,598)	(322,186)
Long-term pledges receivable, net	\$ 2,435,902	\$ 3,050,214

The Foundation had \$45,254,000 and \$37,740,000 in conditional pledges at June 30, 2024 and 2023, respectively. These conditional pledges were not recorded and will be recorded when the conditions are satisfied.

Eight donors comprised 90% of the June 30, 2024 balance of pledges receivable. Six donors comprised 86% of the June 30, 2023 balance of pledges receivable. The average discount rates were 5.39% and 4.29% at June 30, 2024 and 2023, respectively.

#### 5. Investments

The Foundation's endowment and similar funds are invested to maintain the real value of the principal to be capable of supporting annual spending needs. Investment decisions are guided by the asset allocation policies established by the investment committee of the Board of Trustees and implemented primarily through external investment managers. Investments are managed to balance the short-term need for an annualized return in excess of 4.5% in order to support current operations as well as the long-term need to maintain the endowment's purchasing power. To satisfy the long-term objectives of a diversified, volatility-managed portfolio, the Foundation targets an asset allocation of fixed income, global and domestic equities, hedge funds, private equities and real assets. The portfolio is expected to produce returns that meet or exceed long-term benchmarks.

**Hedge fund** – This class includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

**Real assets** – This class includes several real estate funds that invest in U.S. commercial real estate and other hard asset investments. The fair values of the investments in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital.

**Private equity and venture capital** – The fair values of private investments are based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable public market values. These values are audited annually by other auditors, most typically based on calendar year end information. The fair values of the investments in this



# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. The estimated values as determined by the general partners and investment managers may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be materially higher or lower.

Government securities – The Foundation holds investments in U.S. Treasury bills. These investments are carried at fair value, which approximates the present value of the securities, discounted by a rate equal to the yield to maturity, commensurate with the duration of the securities.

The balances of the split interest agreements for which the Foundation is the trustee are recorded as investments and the liabilities for future payments are recorded as accrued expenses or long-term deferred revenue and other liabilities. Split interest agreements held by third parties are valued at the present value of the future payments due from trustees. These liabilities were calculated using discount factors based on the Foundation's taxable unsecured borrowing rate. As of June 30, 2024 and 2023, the discount rates on split interest liabilities ranged from 2.69% to 5.65%.

A summary of the investments and liabilities for future payments are as follows:

	2024	2023
<b>Pooled Life Income Funds</b>		
Fair value	\$ 585,940	\$ 577,633
Liability for future payments	99,013	103,244
<b>Gift Annuity Funds</b>		
Fair value	\$ 3,967,995	\$ 3,694,511
Liability for future payments	1,946,953	2,141,657
<b>Charitable Remainder Trust, Where Foundation is Trustee</b>		
Fair value	\$ 3,465,173	\$ 3,243,124
Liability for future payments	2,539,623	2,365,164
<b>Beneficial Interest in Perpetual Trust</b>		
Fair value	\$ 5,423,554	\$ 6,646,648
Liability for future payments	-	-

## 6. Fair Value of Investment Assets and Liabilities

The Foundation values its investments at fair value in accordance with the *Fair Value Measurements* standard. Under this standard, fair value is defined as the price that would be received to sell an asset or be paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The standard principally affects investments (with and without donor restrictions); however, other applicable fair value measurements include discounting multi-year pledges on the initial date of recognition, and applicable liabilities of pooled income fund and charitable gift annuities.

Additionally, the standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the Foundation. The Foundation considers observable data to be that market data which is readily available; regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation’s perceived risk of that instrument.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including for example, the type of product, whether the product is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for instruments categorized in Level 3.

A description of the Foundation’s valuation methodologies for assets and liabilities measured at fair value is as follows:

- Fair value for Level 1 is based upon quoted prices in active markets that the Foundation has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The Foundation does not adjust the quoted price for such assets and liabilities.
- Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.
- Fair value for Level 3 is typically based on unobservable inputs that are supported by little or no market activity and rely on assumptions and estimates about pricing derived from available information.

The net asset value (“NAV”) of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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

The following table presents the financial instruments carried at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position as of June 30, 2024:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs and/or Restrictions	NAV	Total
<b>Investments</b>					
Money market funds	\$ 5,677	\$ -	\$ -	\$ -	\$ 5,677
Domestic equities	5,432,726	-	-	-	5,432,726
Investments in funds externally managed					
Domestic equities	199,386	-	-	24,499,937	24,699,323
Domestic bonds	34,439,995	-	-	-	34,439,995
Foreign equities	-	-	-	78,023,441	78,023,441
Real assets	-	-	-	13,758	13,758
Venture capital	-	-	-	40,594,841	40,594,841
Hedge funds	-	-	-	196,266,020	196,266,020
Private equity	-	-	-	76,951,248	76,951,248
Total investments	<u>40,077,784</u>	<u>-</u>	<u>-</u>	<u>416,349,245</u>	<u>456,427,029</u>
<b>Assets in split interest agreements</b>					
Money market funds	173,231	-	-	-	173,231
Investments in funds externally managed	-	-	13,269,431	-	13,269,431
Total assets in split interest agreements	<u>173,231</u>	<u>-</u>	<u>13,269,431</u>	<u>-</u>	<u>13,442,662</u>
Total investments and assets in split interest agreements	<u>\$ 40,251,015</u>	<u>\$ -</u>	<u>\$ 13,269,431</u>	<u>\$ 416,349,245</u>	<u>\$ 469,869,691</u>
<b>Beneficial interest in perpetual trust</b>					
Interest in investments held by trustee	\$ -	\$ -	\$ 2,374,142	\$ -	\$ 2,374,142
Total beneficial interest in perpetual trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,374,142</u>	<u>\$ -</u>	<u>\$ 2,374,142</u>

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

The following table presents the financial instruments carried at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position as of June 30, 2023:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs and/or Restrictions	NAV	Total
<b>Investments</b>					
Money market funds	\$ 366,813	\$ -	\$ -	\$ -	\$ 366,813
Domestic equities	1,812,356	-	-	-	1,812,356
Investments in funds externally managed					
Domestic equities	181,485	-	-	19,313,200	19,494,685
Domestic bonds	35,022,566	-	-	-	35,022,566
Foreign equities	-	-	-	69,808,615	69,808,615
Real assets	-	-	-	29,740	29,740
Venture capital	-	-	-	37,018,581	37,018,581
Hedge funds	-	-	-	209,358,130	209,358,130
Private equity	-	-	-	71,492,064	71,492,064
Total investments	<u>37,383,220</u>	<u>-</u>	<u>-</u>	<u>407,020,330</u>	<u>444,403,550</u>
<b>Assets in split interest agreements</b>					
Money market funds	139,747	-	-	-	139,747
Domestic equities	-	-	-	-	-
Foreign equities	-	-	-	-	-
Domestic bonds	-	-	-	-	-
Investments in funds externally managed	-	-	14,022,170	-	14,022,170
Total assets in split interest agreements	<u>139,747</u>	<u>-</u>	<u>14,022,170</u>	<u>-</u>	<u>14,161,917</u>
Total investments and assets in split interest agreements	<u>\$ 37,522,967</u>	<u>\$ -</u>	<u>\$ 14,022,170</u>	<u>\$ 407,020,330</u>	<u>\$ 458,565,467</u>
<b>Beneficial interest in perpetual trust</b>					
Interest in investments held by trustee	\$ -	\$ -	\$ 2,034,244	\$ -	\$ 2,034,244
Total beneficial interest in perpetual trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,034,244</u>	<u>\$ -</u>	<u>\$ 2,034,244</u>

The beneficial interest in perpetual trust balance is included in other assets in the consolidated statements of financial position.

The following table includes a roll-forward of the amounts classified within Level 3 for the year ended June 30, 2024 and 2023:

<b>Fair value at June 30, 2022</b>	<b>\$ 14,997,137</b>
Realized gains	594,614
Change in unrealized losses	754,429
Purchases	9,679,227
Sales	(12,211,295)
Other	208,058
<b>Fair value at June 30, 2023</b>	<b>14,022,170</b>
Realized gains	-
Change in unrealized losses	1,369,062
Purchases	72,668
Sales	(2,240,401)
Other	45,932
<b>Fair value at June 30, 2024</b>	<b>\$ 13,269,431</b>

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

The Foundation uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs, including those obtained from external pricing sources, may be reduced for many instruments.

The Foundation recognized changes in net unrealized gains of \$340,000 and \$77,000 for the years ended June 30, 2024 and 2023, respectively, for its beneficial interests in perpetual trusts.

The following table includes a summary of fair values, redemption features and future commitments related to investments (excluding split interest agreements) for which estimated fair value was based upon NAV, capital account or other valuation procedures for the year ended June 30, 2024 and 2023:

2024				
	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Periods
Investments in funds externally managed				
Domestic equities	\$ 24,499,937	-	Daily, Quarterly	1-60 days
Foreign equities	78,023,441	-	Daily, monthly,	1-30 days
Real assets	13,758	2,500	Daily, Monthly, quarterly, annually, at maturity	1-60 days, at maturity
Venture capital	40,594,841	7,736,741	At maturity	n/a
Hedge funds	196,266,020	-	Monthly, quarterly annually	30-180 days
Private equity	76,951,248	28,254,521	At maturity	n/a
	<u>\$ 416,349,245</u>	<u>\$ 35,993,762</u>		
2023				
	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Periods
Investments in funds externally managed				
Domestic equities	\$ 19,313,200	-	Daily, Quarterly	1-60 days
Foreign equities	69,808,615	-	Daily, monthly, quarterly	1-60 days
Real assets	29,740	2,500	Daily, Monthly, quarterly, annually, at maturity	1-60 days, at maturity
Venture capital	37,018,581	12,016,502	At maturity	n/a
Hedge funds	209,358,130	-	Monthly, quarterly annually	30-180 days
Private equity	71,492,064	29,829,834	At maturity	n/a
	<u>\$ 407,020,330</u>	<u>\$ 41,848,836</u>		

**WGBH Educational Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

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**7. Right-of-Use Assets and Lease Liabilities**

The Foundation determines if an arrangement is or contains a lease at inception of the contract. Right-of-use assets represent a right to use the underlying assets for the lease term and lease liabilities represent an obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate noted within the contract. If not readily available, a risk-free Treasury rate is utilized commensurate with the term of the lease. A right-of-use asset and lease liability is not recognized for leases with an initial term of 12 months or less. Lease expense for these leases is recognized on a straight-line basis over the lease term.

The Foundation's operating and finance lease agreements are for television and radio transmitters on telecommunication towers, real estate for corporate and other administrative offices, or equipment. Agreements typically have initial terms of 5 to 10 years. The leases may include one or more options to renew, with renewals that can extend the lease term from 10 to 50 years. The exercise of lease renewal options is at the Foundation's sole discretion. When determining the lease term, the Foundation has included options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

Supplemental balance sheet information related to leases as of June 30, 2024 and 2023 are as follows:

	<b>2024</b>	
	<b>Finance Leases</b>	<b>Operating Leases</b>
<i>(in thousands of dollars)</i>		
Right of use assets, gross	\$ 3,339,444	\$ 47,891,473
Accumulated amortization	(777,520)	(7,700,792)
Right of use assets, net	\$ 2,561,924	\$ 40,190,681
Current portion of right of use obligations	\$ 97,164	\$ 1,477,987
Long-term right of use obligations, excluding current portion	2,916,692	44,364,935
Total lease liabilities	\$ 3,013,856	\$ 45,842,922
Weighted average remaining lease term, years	15.37	24.47
Weighted average discount rate	2.37 %	1.39 %

**WGBH Educational Foundation and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2024 and 2023**

	<b>2023</b>	
	<b>Finance Leases</b>	<b>Operating Leases</b>
<i>(in thousands of dollars)</i>		
Right of use assets, gross	\$ 491,896	\$ 47,801,329
Accumulated amortization	(40,792)	(5,749,270)
Right of use assets, net	\$ 451,104	\$ 42,052,059
Current portion of right of use obligations	\$ 11,466	\$ 1,447,502
Long-term right of use obligations, excluding current portion	463,195	45,754,070
Total lease liabilities	\$ 474,661	\$ 47,201,572
Weighted average remaining lease term, years	18.06	25.17
Weighted average discount rate	0.91 %	1.39 %

Included in the \$42,753,000 of right-of-use assets obtained in exchange for operating lease obligations is \$95,000 of new or modified operating leases and \$2,848,000 of finance leases entered into during the year ended June 30, 2024.

Future maturities of lease liabilities as of June 30, 2024 are as follows:

	<b>Finance Leases</b>	<b>Operating Leases</b>
<i>(in thousands of dollars)</i>		
<b>Year Ending June 30,</b>		
2025	\$ 167,220	\$ 2,103,803
2026	175,342	2,057,386
2027	183,860	1,981,697
2028	192,794	1,890,239
2029	202,164	1,934,996
Thereafter	2,755,645	45,690,898
Total lease payments	3,677,025	55,659,019
Less: Imputed interest	(663,169)	(9,816,097)
Total lease payments	\$ 3,013,856	\$ 45,842,922

The components of lease expense for the years ended June 30, 2024 and 2023 are as follows:

	<b>12 Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Operating lease cost	\$ 2,646,015	\$ 2,681,247
Variable and short term lease cost (a)	266,688	292,451
Total lease and rental expense - operating	\$ 2,912,703	\$ 2,973,698
Finance lease cost	\$ 400,827	\$ -
Depreciation of asset under finance lease	167,219	24,482
Interest on debt of asset under finance lease	73,604	11,808
Total finance lease cost	\$ 641,650	\$ 36,290

**WGBH Educational Foundation and Subsidiaries**  
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(a) Includes certain equipment, month-to-month and leases with a maturity of less than 12 months.

Supplemental cash flow information related to leases for the years ended June 30, 2024 and 2023 are as follows:

	<b>12 Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 2,155,413	\$ 2,164,415
Operating cash flows from finance leases	73,604	11,808
Financing cash flows from finance leases	139,609	(10,328)
Total cash flows from leases	<u>\$ 2,368,626</u>	<u>\$ 2,165,895</u>

**8. Property, Facilities and Equipment**

Property, facilities and equipment consist of the following at June 30, 2024 and 2023:

	<b>Useful Life</b>	<b>2024</b>	<b>2023</b>
Land and land improvements		\$ 6,800,380	\$ 6,800,380
Buildings and improvements	3-40 years	186,118,363	178,685,279
Broadcast, video and film equipment	3-20 years	32,755,215	30,804,522
Office equipment, furniture and fixtures	3-25 years	4,164,620	4,159,958
Computers and peripherals	3-10 years	17,216,131	16,280,454
Capitalized interest	25-39 years	19,714,140	19,714,140
Fixed assets not yet placed into service		2,013,708	8,749,268
		<u>268,782,557</u>	<u>265,194,001</u>
Less: Accumulated depreciation		<u>(125,003,713)</u>	<u>(116,145,474)</u>
Property, facilities and equipment, net		<u>\$ 143,778,844</u>	<u>\$ 149,048,527</u>

During the year ended June 30, 2024, the Foundation disposed of \$134,000 of assets no longer in service. A net loss on disposal of \$13,000 was recorded as other gains and losses in the consolidated statement of activities.

During the year ended June 30, 2023, the Foundation disposed of \$12,521,000 of assets no longer in service. A net loss on disposal of \$211,000 was recorded as other gains and losses in the consolidated statement of activities.

Depreciation expense related to property, facilities and equipment was \$8,979,000 and \$8,749,000 for the year ended June 30, 2024 and 2023, respectively. Of this total, \$8,396,000 and \$8,267,000 pertained to the property, facilities and equipment of GBH for the years ended June 30, 2024 and 2023, respectively.



**WGBH Educational Foundation and Subsidiaries**  
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**9. Long-Term Debt**

Long-term debt consists of the following at June 30, 2024 and 2023:

	<b>Original Issuance</b>	<b>2024</b>	<b>2023</b>
GBH MDFA Series 2002A revenue bonds, 4.0%-5.8%, due 2006-2042	\$ 111,890,000	\$ 46,430,000	\$ 46,430,000
GBH MDFA Series 2008B revenue bonds, zero coupon, due 2024-2042	22,566,620	21,134,480	22,566,620
GBH MDFA Series 2016 revenue bonds, 3.0%-5.0%, due on 2019-2042	43,650,000	39,160,000	39,255,000
GBH MDFA Series 2017A revenue bonds, 3.0%-5.0%, due on 2019-2042	21,700,000	16,545,000	16,670,000
GBH MDFA Series 2017B revenue bonds, 3.0%-5.0%, due on 2019-2042	30,115,000	30,115,000	30,115,000
GBH Banc of America Public Capital Corp term loan, due 2028	12,500,000	10,888,312	12,500,000
NEPM Bank of America term loan, due 2030	600,000	371,072	424,241
NEPM Bank of America line of credit, due 2027	8,000,000	5,769,180	1,003,135
NEPM Toyota Vehicle Loan, due 2025	17,686	8,513	
PRX Bank of America line of credit, due 2027	6,000,000	5,778,838	5,852,288
PRX Bank of America term loan, due 2027	2,000,000	1,200,000	1,600,000
CDP Bank of America line of credit, due 2027	3,900,000	1,320,000	-
		<u>178,720,395</u>	<u>176,416,284</u>
Unamortized premiums		6,612,114	7,025,922
Unamortized bond issuance costs		<u>(1,976,563)</u>	<u>(2,076,875)</u>
Long-term debt, including unamortized premiums and debt issuance costs		183,355,946	181,365,331
Less: Current maturities		<u>(17,554,950)</u>	<u>(10,577,350)</u>
Long-term debt, net		<u>\$ 165,800,996</u>	<u>\$ 170,787,981</u>

GBH MDFA Series 2008B zero coupon bonds have a weighted average yield to maturity rate of 5.85%. Premiums include GBH MDFA Series 2002A premium of \$1,487,000 and \$1,571,000 as of June 30, 2024 and 2023, respectively, GBH MDFA Series 2016 premium of \$3,865,000 and \$4,086,000 as of June 30, 2024 and 2023, respectively, and GBH MDFA Series 2017A premium of \$1,260,000 and \$1,369,000 as of June 30, 2024 and 2023, respectively. The amortization expense for the aforementioned premiums was \$414,000 during the years ended June 30, 2024 and 2023.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

Unamortized issuance costs incurred in conjunction with each debt offering are summarized in the following table as of June 30, 2024 and 2023:

	2024		2023	
	Principal	Unamortized Debt Issuance Costs	Principal	Unamortized Debt Issuance Costs
GBH MDFA Series 2002A revenue bonds, 4.0%-5.8%, due 2006-2042	\$ 46,430,000	\$ 639,032	\$ 46,430,000	\$ 662,914
GBH MDFA Series 2008B revenue bonds, Zero Coupon, due 2024-2042	21,134,480	541,763	22,566,620	572,721
GBH MDFA Series 2016 revenue bonds, 3.0%-5.0%, due on 2019-2042	39,160,000	418,111	39,255,000	442,003
GBH MDFA Series 2017A revenue bonds, 3.0%-5.0%, due on 2019-2042	16,545,000	158,162	16,670,000	167,199
GBH MDFA Series 2017B revenue bonds, 3.0%-5.0%, due on 2019-2042	30,115,000	219,495	30,115,000	232,038
GBH Banc of America Public Capital Corp term loan, due 2028	10,888,312	-	12,500,000	-
NEPM Bank of America term loan, due 2030	371,072	-	424,241	-
NEPM Bank of America line of credit, due 2027	5,769,180	-	1,003,135	-
NEPM Toyota Vehicle Loan, due 2025	8,513	-	-	-
PRX Bank of America line of credit, due 2027	5,778,838	-	5,852,288	-
PRX Bank of America term loan, due 2027	1,200,000	-	1,600,000	-
CDP Bank of America line of credit, due 2027	1,320,000	-	-	-
	<u>\$ 178,720,395</u>	<u>\$ 1,976,563</u>	<u>\$ 176,416,284</u>	<u>\$ 2,076,875</u>

The bond issuance costs are being amortized on a straight-line basis over the term of the applicable bonds issued, which approximates the effective interest rate method.

#### Debt Covenants

The Foundation's debt agreements contain limitations on additional indebtedness, mergers, and other covenants, including required debt service coverage and liquidity ratios. Debt service coverage ratio should be at least 1.20 times actual debt service for the period. Liquidity ratio should not be less than 90% of total net assets without donor restrictions and nonpermanent net assets with donor restrictions.

The scheduled principal payments are shown in the table below:

Fiscal Year	
2025	\$ 17,554,949
2026	4,735,573
2027	4,879,573
2028	4,704,306
2029	3,039,333
Thereafter	143,806,661
Total principal payments	<u>\$ 178,720,395</u>

On April 30, 2020, NEPM entered into a term loan agreement with Bank of America (the "term loan") for \$600,000 which is guaranteed by GBH. The proceeds of the term loan were used to refinance existing indebtedness of NEPM. Commencing in May 2020, the term loan is payable in equal installments of \$5,600, with interest due at a rate equal to 2.20% per annum through April 30, 2030.

# **WGBH Educational Foundation and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2024 and 2023**

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On December 19, 2017, GBH issued \$21,700,000 of Massachusetts Development Finance Agency ("MDFA") Series 2017A revenue bonds at a net original issuance premium of \$1,966,901 and \$30,115,000 of MDFA Series 2017B revenue bonds at par. The proceeds were used to refund \$51,830,000 of the Series 2008A bonds. Principal on the Series 2017A and Series 2017B bonds is due annually and interest is due semi-annually. Interest rates for the Series 2017A and Series 2017B bonds range from 3 to 5%. The Series 2017A, Series 2017B Taxable 2037 and Series 2017B Taxable 2042 bonds will mature on January 1, 2036, January 1, 2037 and January 1, 2042, respectively.

On July 27, 2016, GBH issued \$43,650,000 of MDFA Series 2016 revenue bonds at a net original issuance premium of \$5,614,000. The proceeds were used to refund \$45,885,000 of the Series 2008A bonds. Principal and interest on the Series 2016 bonds is due semi-annually, with interest rates ranging from 3 to 5%. The bonds will mature on January 1, 2042.

With the exception of the zero-coupon bonds, bond interest is payable semiannually. Interest on term loans and lines of credit is payable monthly. Total interest expense was \$9,579,000 and \$9,214,000 for the years ended June 30, 2024 and June 30, 2023, respectively, and is allocated on the consolidated statements of activities to the functional categories which have benefited from the proceeds of the external debt. Interest expense pertaining to the debt obligations of GBH for the years ended June 30, 2024 and 2023 was \$8,748,000 and \$8,879,000, respectively.

One insurance company insures the 2002A Bonds and a different insurance company insures the 2008B Bonds. The two insurers have recourse if GBH defaults and an insurer must pay. GBH's obligations to the insurers in connection with the 2002A Bonds, the 2008B Bonds, and the 2016 Bonds are collateralized by an assignment of the payment stream under the noninterest-bearing note receivable issued in connection with the sale of certain real estate, and a mortgage on the headquarters of the Foundation located in Brighton, MA.

In October 2021, GBH entered into a \$12,500,000 long-term debt agreement with Banc of America Public Capital Corp and MassDevelopment, a tax-exempt financing authority. The proceeds will be used to finance the purchase of equipment and capital renovation projects. The debt will be repaid over a seven year term at an annualized interest rate of 1.54%. The loan is collateralized by the property, facilities and equipment purchased with the loan proceeds.

On June 20, 2022, PRX entered into a term note agreement with Bank of America in conjunction with the GBH revolving credit agreement. The interest rate on the term note is 3.8% per annum. The term note matures on June 28, 2027. The outstanding balance on the term note was \$1,200,000 as of June 30, 2024.

In fiscal year 2024 PRX received cash advances from WGBH, totaling \$2,000,000. No interest was paid in FY24 on this outstanding balance. This intercompany loan is classified as long-term in the consolidating statement of financial position for both entities and has been eliminated in the consolidated statement of financial position.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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#### Line of Credit

On May 26, 2017, the Foundation replaced its RBS Citizens Bank Line of Credit agreement and entered into an agreement with Bank of America to access a discretionary line of credit of \$25,000,000. On January 31, 2019, the Foundation amended its agreement with Bank of America to increase the discretionary line of credit to \$50,000,000. Under the 2019 Bank of America agreement, revolving credit advances shall not exceed \$42,500,000 for GBH, \$3,600,000 for PRX, and \$3,900,000 for CDP. On April 30, 2020, the Foundation amended its agreement with Bank of America to keep the discretionary line of credit at \$50,000,000. Under the 2020 Bank of America agreement, revolving credit advances shall not exceed \$38,600,000 for GBH, \$6,000,000 for PRX, \$3,900,000 for CDP, and \$1,500,000 for NEPM. On June 28, 2022, the Foundation amended its agreement with Bank of America to keep the discretionary line of credit at \$50,000,000. Under the 2022 Bank of America agreement, revolving credit advances shall not exceed \$38,600,000 for GBH, \$6,000,000 for PRX, \$3,900,000 for CDP, and \$1,500,000 for NEPM. On May 11, 2023, the Foundation amended its agreement with Bank of America to keep the discretionary line of credit at \$50,000,000. Under the 2023 Bank of America agreement, revolving credit advances shall not exceed \$32,100,000 for GBH, \$6,000,000 for PRX, \$3,900,000 for CDP, and \$8,000,000 for NEPM. On June 27, 2024, the Foundation amended its agreement with Bank of America to keep the discretionary line of credit at \$35,000,000. Under the 2024 Bank of America agreement, revolving credit advances shall not exceed \$17,100,000 for GBH, \$6,000,000 for PRX, \$3,900,000 for CDP, and \$8,000,000 for NEPM. The maturity date extended to June 30, 2027.

Borrowings under the agreement are now made at the Secured Overnight Financing Rate (SOFR) instead of the Bloomberg Short Term Bank Yield Index (B'SBY") Daily Floating Rate Loan as in previous amendments. Interest on the outstanding principal will accrue at a rate equal to the SOFR plus 0.875%. The Foundation has debt covenants for debt service coverage ratio greater than or equal to 1.20 to 1.0, and a quarterly minimum unrestricted cash and liquid assets to funded debt of not less than 0.40 to 1.0.

The outstanding balance on the PRX line of credit was \$5,779,000 and \$5,852,000 as of June 30, 2024 and 2023, respectively. The outstanding balance on the NEPM line of credit was \$5,769,000 and \$1,003,000 as of June 30, 2024 and 2023, respectively. The outstanding balance on the CDP line of credit was \$1,320,000 and \$0 as of June 30, 2024 and 2023, respectively.

#### 10. Retirement Plan

GBH and NEPM have multiple defined contribution plans (the "Plans") for eligible employees through the Teachers Insurance and Annuity Association ("TIAA") and College Retirement Equity Fund in accordance with the provisions of Section 403(b) of the Internal Revenue Code.

Contributions are made by the provisions of Section 403(b) of the Internal Revenue Code. GBH and NEPM's expense under the Plans totaled \$2,623,000 and \$2,448,000 for the years ended June 30, 2024 and 2023, respectively. GBH and NEPM had a liability of \$360,000 and \$0 for benefits paid under the Plans for the years ended June 30, 2024 and 2023, respectively. The Foundation matched 80% of qualified employee salary deferrals for the largest plan for the years ended June 30, 2024 and 2023, respectively. These amounts are included within accrued expenses on the consolidated statement of financial position.

PRX established a new defined contribution 403b retirement plan on May 1, 2022. Both PRX and PRI employees are eligible for this plan. Participation in the Plan is mandatory upon six months of employment and requires a minimum employee contribution of 1% of annual compensation, with

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

an accompanying contribution by the Organization equal to 2% of annual compensation, and an optional dollar for dollar match for an additional 2% of annual contribution.

Prior to the establishment of the new PRX Retirement Plan, PRX and PRI maintained separate defined contribution retirement plans. PRX retirement contributions were \$233,000 and \$208,000 for the years ended June 30, 2024 and 2023, respectively. PRI retirement contributions were \$41,000 and \$83,000 for the years ended June 30, 2024 and 2023, respectively.

#### 11. Components of Net Assets

Net assets of the Foundation consist of the following at June 30, 2024 and 2023:

	2024			
	Without Donor Restrictions WGBH Educational Foundation	Without Donor Restrictions Noncontrolling Interest	With Donor Restrictions	Total
<b>Detail of net assets</b>				
Undesignated	\$ 25,178,377	\$ 958,603	\$ -	\$ 26,136,980
Board-designated endowment	321,297,084	-	-	321,297,084
Board-designated debt service	68,954,913	-	-	68,954,913
Board-designated programming	12,149,562	-	-	12,149,562
Grants for future programming	-	-	25,283,525	25,283,525
Capital campaign and other	-	-	41,612,765	41,612,765
Investments held in perpetuity	-	-	49,561,744	49,561,744
Appreciation of investments not yet released into operations	-	-	31,193,877	31,193,877
	<u>\$ 427,579,936</u>	<u>\$ 958,603</u>	<u>\$ 147,651,911</u>	<u>\$ 576,190,450</u>
	2023			
	Without Donor Restrictions WGBH Educational Foundation	Without Donor Restrictions Noncontrolling Interest	With Donor Restrictions	Total
<b>Detail of net assets</b>				
Undesignated	\$ 35,081,587	\$ 1,557,783	\$ -	\$ 36,639,370
Board-designated endowment	301,901,040	-	-	301,901,040
Board-designated debt service	69,696,176	-	-	69,696,176
Board-designated programming	14,636,501	-	-	14,636,501
Grants for future programming	-	-	27,918,027	27,918,027
Capital campaign and other	-	-	41,554,074	41,554,074
Investments held in perpetuity	-	-	48,760,235	48,760,235
Appreciation of Investments not yet released into operations	-	-	26,556,053	26,556,053
	<u>\$ 421,315,304</u>	<u>\$ 1,557,783</u>	<u>\$ 144,788,389</u>	<u>\$ 567,661,476</u>

The GBH portion of net assets with donor restrictions associated with “Grants for future programming” and “Capital campaign and other” were \$24,211,000 and \$37,854,000 for the year ended June 30, 2024, respectively.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

The GBH portion of net assets with donor restrictions associated with “Grants for future programming” and “Capital campaign and other” were \$26,618,000 and \$38,227,000, for the year ended June 30, 2023, respectively.

The Foundation held an 83% controlling interest in CDP as of June 30, 2024 and an 83% controlling interest as of June 30, 2023. Changes in the noncontrolling interest of CDP for the years ended June 30, 2024 and 2023 were as follows:

	<b>Total</b>	<b>Controlling Interest</b>	<b>Noncontrolling Interest</b>
<b>Balance, July 1, 2023</b>	\$ 3,829,228	\$ 2,271,445	\$ 1,557,783
Surplus of revenue over expenses	(3,424,999)	(2,825,819)	(599,180)
<b>Ending balance at June 30, 2024</b>	<u>\$ 404,229</u>	<u>\$ (554,374)</u>	<u>\$ 958,603</u>

  

	<b>Total</b>	<b>Controlling Interest</b>	<b>Noncontrolling Interest</b>
<b>Balance, July 1, 2022</b>	\$ 5,313,778	\$ 4,321,376	\$ 992,402
Surplus of revenue over expenses	(2,484,593)	(2,049,931)	(434,662)
Sale of CDP common stock to noncontrolling shareholders	1,000,043	-	1,000,043
<b>Ending balance at June 30, 2023</b>	<u>\$ 3,829,228</u>	<u>\$ 2,271,445</u>	<u>\$ 1,557,783</u>

Endowments classified with donor restrictions are to be utilized for programming, fellowships, and operational support.

The Foundation’s endowment consists of individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted endowments are composed of the investments of contributed principal that have been restricted by the donor in perpetuity and the beneficial interest that the Foundation has in certain third-party perpetual trusts. Net assets associated with endowment funds designated by the Board of Trustees may be expended by a vote of the Board of Trustees and are recorded as net assets without donor restrictions.

The Foundation’s endowment is subject to an enacted version of the UPMIFA, and as such, generally accepted accounting principles requires disclosures about the Foundation’s endowment funds including both donor-restricted and board-designated endowment funds.

The policy governing the investment of the Foundation’s endowment is twofold: to provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Investment Committee from time to time (currently 4.5% of the endowment’s moving average fair value over the prior 36 months as of March 31 of the preceding fiscal year in which distribution is planned) and to support the Foundation and its mission over the long term by ensuring that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for the benefit of future programs and services. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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

Changes in endowment net assets for the years ended June 30, 2024 and 2023, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Endowment net assets at July 1, 2022</b>	<u>\$ 297,332,254</u>	<u>\$ 71,284,655</u>	<u>\$ 368,616,909</u>
Investment return			
Investment income	(1,128,469)	(235,295)	(1,363,764)
Net appreciation (realized and unrealized)	<u>21,317,175</u>	<u>5,337,194</u>	<u>26,654,369</u>
Total investment gains	20,188,706	5,101,899	25,290,605
Contributions	3,000,001	753,590	3,753,591
Appropriation of endowment assets for expenditures	(18,619,919)	(2,175,276)	(20,795,195)
Change in value of split interest agreements	<u>-</u>	<u>351,420</u>	<u>351,420</u>
<b>Endowment net assets at June 30, 2023</b>	<u>301,901,042</u>	<u>75,316,288</u>	<u>377,217,330</u>
<b>Endowment net assets at July 1, 2023</b>	<u>301,901,042</u>	<u>75,316,288</u>	<u>377,217,330</u>
Investment return			
Investment income	9,348	11,699	21,047
Net appreciation (realized and unrealized)	<u>33,245,623</u>	<u>8,312,643</u>	<u>41,558,266</u>
Total investment gains	33,254,971	8,324,342	41,579,313
Contributions	3,000,000	148,799	3,148,799
Appropriation of endowment assets for expenditures	(16,858,929)	(3,837,949)	(20,696,878)
Change in value of split interest agreements	<u>-</u>	<u>804,141</u>	<u>804,141</u>
<b>Endowment net assets at June 30, 2024</b>	<u>\$ 321,297,084</u>	<u>\$ 80,755,621</u>	<u>\$ 402,052,705</u>

On July 1, 2023, PRX entered into a promissory note agreement with Oakleaf Endowment Trust for Public Radio International. Total funding to PRX was for \$1,500,000. Interest will accrue at an annual rate of 8%. PRX, Inc. will make monthly payments to the lender of principal and interest beginning July 1, 2024. The term note matures on May 31, 2029. The outstanding balance on the term note was \$1,500,000 as of June 30, 2024.

## 12. Liquidity and Availability

The Foundation's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, the Foundation's endowment spending policy is calculated as 4.5% of the endowment's moving average fair value over the prior 36 months as of March 31 of the preceding fiscal year in which distribution is planned. For the years ended June 30, 2024 and 2023, the total endowment distribution approved by the Board of Trustees was \$20,304,000 and \$20,697,000, respectively. The endowment distribution pertaining to the investments of GBH was \$20,304,000 and \$20,697,000 for the years ended June 30, 2024 and 2023, respectively.

# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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As described in Note 6, the Foundation also has unfunded commitments on alternative investments totaling \$35,994,000 and \$41,849,000 for the years ended June 30, 2024 and 2023, respectively. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Foundation also has a committed line of credit in the amount of \$50,000,000, which it could draw upon.

Additionally, the Foundation has a board-designated endowment of \$321,297,000 and \$301,829,000 as of June 30, 2024 and 2023, respectively. Although the Foundation does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated endowment funds and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 6 for disclosures about investments).

The following resources could be available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt as of June 30, 2024:

	2024	2023
<b>Financial assets</b>		
Cash	\$ 17,785,515	\$ 40,833,968
Short-term investments	34,564,999	35,027,715
Accounts receivable	30,225,780	23,873,891
Receivables for asset sales	5,138,199	5,194,845
Pledges receivable available for operations	36,995	169,197
Long-term investments appropriated for spending	16,508,894	17,028,828
Financial assets available within one year	104,260,382	122,128,444
<b>Liquidity resources</b>		
Bank lines and letters of credit (undrawn)	22,131,982	43,144,577
Financial assets and liquidity resources available within one year	\$ 126,392,364	\$ 165,273,021

### 13. Commitments and Contingencies

The Foundation is obligated to make rental payments under various noncancelable operating lease agreements. Refer to Note 7 for additional information on lease commitments to be paid in the future.

The Foundation also rents certain office space to third parties. The total of future minimum rentals to be received by the Foundation under the noncancelable leases are as follows:



# WGBH Educational Foundation and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2024 and 2023

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<b>Fiscal Year</b>	
2025	\$ 2,723,119
2026	2,414,301
2027	2,364,269
2028	2,315,534
2029	2,265,007
Thereafter	<u>2,357,697</u>
	<u>\$ 14,439,927</u>

Certain property lease agreements between the Foundation and its tenants contain rent escalation provisions. For these agreements, rental income is recognized on a straight-line basis over the lease term, resulting in a deferred asset balance of \$789,000 and \$917,000 for the years ended June 30, 2024 and 2023, respectively.

Rental income for building leases amounted to \$3,196,000 and \$3,241,000 for the years ended June 30, 2024 and 2023, respectively. These amounts have been recorded in miscellaneous income in the consolidated statement of activities.

#### **Production and Acquisition Commitments**

PRX, in the ordinary course of business, has entered into firm commitments for the co-production and acquisition of broadcast programming and podcasts for distribution. These commitments are funded by program fees, sponsorship underwriting as well as through grants and gifts. Future minimum commitments under the terms of these agreements are \$5,973,000 and will be fulfilled by June 30, 2026.

The Foundation receives funding or reimbursement from government agencies for various business activities, which are subject to audit. In addition, the Foundation is engaged in various legal cases, which have arisen in the normal course of its operations. The Foundation believes that the outcomes of these matters will not have a material adverse effect on the financial position of the Foundation.

#### **14. Subsequent Events**

The Foundation recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the dates of the consolidated statements of financial position. The Foundation does not recognize subsequent events that provide evidence about conditions that did not exist at the dates of the consolidated statements of financial position but arose after the consolidated statements of financial position dates but before the consolidated financial statements are issued. For these purposes, the Foundation has evaluated events occurring subsequent to the consolidated statements of financial position date through November 26, 2024, the date the consolidated financial statements are issued.

There were no subsequent events that occurred after the statement of financial position date that had a material impact on the Foundation's consolidated financial statements.

## **Supplemental Consolidating Information**

**WGBH Educational Foundation and Subsidiaries**  
**Consolidating Statement of Financial Position**  
**June 30, 2024**

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
<b>Assets</b>						
Cash	17,197,722	262,590	285,595	39,608	-	17,785,515
Short term investments	34,564,999	-	-	-	-	34,564,999
Accounts receivable	25,210,811	344,084	3,563,248	1,745,797	(638,160)	30,225,780
Current portion of receivables for asset sales	5,138,199	-	-	-	-	5,138,199
Current portion of grants receivable, net	15,641,067	55,572	494,627	-	(5,912,597)	10,278,669
Current portion of pledges receivable, net	3,213,441	46,900	26,000	-	-	3,286,341
Film assets	45,744,801	-	-	-	-	45,744,801
Prepaid expenses and other assets	3,598,039	149,599	478,643	1,027,268	(41,737)	5,211,812
Total current assets	150,309,079	858,745	4,848,113	2,812,673	(6,592,494)	152,236,116
Long term pledges receivable, net	2,431,180	4,722	-	-	-	2,435,902
Long-term grants receivable, net	3,126,498	-	-	-	-	3,126,498
Long-term receivables for asset sales	96,883,853	-	-	-	-	96,883,853
Receivable due from affiliate	2,000,000	-	-	-	(2,000,000)	-
Radio and television licenses	17,666,713	2,780,000	-	-	-	20,446,713
Intangible assets	-	-	380,000	501,250	(501,250)	380,000
Goodwill	-	-	-	934,876	(934,876)	-
Other assets	4,176,479	24,508	-	-	-	4,200,987
Equity investments	45,899,046	-	322,500	-	-	46,221,546
Funds held under bond agreements - restricted	3,558,726	-	-	-	-	3,558,726
Long-term investments	424,368,354	5,307,722	5,628,616	-	-	435,304,692
Right-of-use assets	39,187,926	3,337,623	227,056	25,463	(25,463)	42,752,605
Property, facilities and equipment, net	138,643,610	5,035,421	85,898	13,915	-	143,778,844
Total assets	928,251,464	17,348,741	11,492,183	4,288,177	(10,054,083)	951,326,482
<b>Liabilities</b>						
Current maturities of debt	4,216,289	5,839,823	6,178,838	1,320,000	-	17,554,950
Accounts payable	10,249,056	487,705	9,566,390	1,124,671	(6,121,863)	15,305,959
Accrued expenses	14,774,672	1,134,450	1,820,269	992,528	(428,894)	18,293,025
Royalties payable	1,404,207	-	-	-	-	1,404,207
Current accrued bond interest expense	6,504,503	-	-	-	-	6,504,503
Current portion of lease liabilities	1,323,451	139,118	112,582	25,463	(25,463)	1,575,151
Deferred revenue and other liabilities	11,415,678	54,367	1,004,803	421,285	(41,737)	12,854,396
Total current liabilities	49,887,856	7,655,463	18,682,882	3,883,947	(6,617,957)	73,492,191
Long term deferred revenue and other liabilities	56,976,856	-	-	-	(1,436,126)	55,540,730
Long term lease liabilities	43,386,992	3,659,804	234,831	-	-	47,281,627
Long term debt, net	164,692,053	308,943	800,000	-	-	165,800,996
Loan payable due to affiliate	-	-	2,000,000	-	(2,000,000)	-
Long term accrued bond interest expense	33,020,488	-	-	-	-	33,020,488
Total liabilities	347,964,245	11,624,210	21,717,713	3,883,947	(10,054,083)	375,136,032
<b>Net assets</b>						
Without donor restrictions: WGBH Educational Foundation	444,726,943	1,594,927	(18,187,561)	(554,373)	-	427,579,936
Without donor restrictions: Noncontrolling interest in CDP	-	-	-	958,603	-	958,603
Total net assets without donor restrictions	444,726,943	1,594,927	(18,187,561)	404,230	-	428,538,539
With donor restrictions	135,560,276	4,129,604	7,962,031	-	-	147,651,911
Total net assets	580,287,219	5,724,531	(10,225,530)	404,230	-	576,190,450
Total liabilities and net assets	928,251,464	17,348,741	11,492,183	4,288,177	(10,054,083)	951,326,482

The accompanying note is an integral part of this supplemental consolidating information.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidating Statement of Activities**  
**Year Ended June 30, 2024**

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
<b>Operating revenue</b>						
Licensing	\$ 65,779,612	\$ -	\$ 272,459	\$ -	\$ -	66,052,071
Underwriting	20,035,537	1,369,764	10,514,187	-	(8,013)	31,911,475
Viewer and listener support	32,797,933	3,802,980	1,114,686	-	-	37,715,599
Grants and contributions	5,389,827	92,706	2,854,612	-	-	8,337,145
Community service grants from the Corporation for Public Broadcasting	8,748,209	257,900	-	-	-	9,006,109
Royalty	2,054,653	-	-	-	-	2,054,653
Captioning and ancillary services	4,363,299	-	-	-	-	4,363,299
Other services revenue	2,858,250	20,415	2,656,620	14,814,460	(4,653,141)	15,696,604
Planned giving	3,315,530	451,425	-	-	-	3,766,955
Change in value of split interest agreements	-	-	-	-	-	-
Accretion of interest and other income on long-term receivables	5,416,564	-	-	-	-	5,416,564
Gain on equity investments	16,960,036	-	-	-	-	16,960,036
Investment earnings authorized for operations	20,696,878	-	-	-	-	20,696,878
In-kind contributions and donated services	904,321	556,839	157,977	-	-	1,619,137
Affiliation fees	-	-	3,905,166	-	(66,382)	3,838,784
Distribution fees	-	-	4,651,183	-	(100,144)	4,551,039
Miscellaneous income	11,730,684	216,472	89,145	-	(1,718)	12,034,583
Total operating revenue	201,051,333	6,768,501	26,216,035	14,814,460	(4,829,398)	244,020,931
Net assets released from restrictions	34,784,206	812,814	3,363,211	-	(3,371,869)	35,588,362
Total operating revenue and other support	235,835,539	7,581,315	29,579,246	14,814,460	(8,201,267)	279,609,293
<b>Operating expenses</b>						
Program services						
Programming and production	174,416,961	3,393,247	10,043,184	-	(3,637,740)	184,215,652
Broadcasting	15,740,227	3,762,157	22,544,356	-	(40,737)	42,006,003
Public information, guides and educational material	8,057,695	623,822	-	6,962,913	1,108,290	16,752,720
Total program services	198,214,883	7,779,226	32,587,540	6,962,913	(2,570,187)	242,974,375
Supporting services						
Fundraising and development	19,699,023	1,557,951	1,474,295	-	(5,304,607)	17,426,662
Underwriting	7,688,975	705,616	-	-	-	8,394,591
General and administrative	8,835,290	2,186,947	1,815,549	10,677,365	(326,473)	23,188,678
Total supporting services	36,223,288	4,450,514	3,289,844	10,677,365	(5,631,080)	49,009,931
Total operating expenses	234,438,171	12,229,740	35,877,384	17,640,278	(8,201,267)	291,984,306
Surplus (deficit) of operating revenue over operating expenses	1,397,368	(4,648,425)	(6,298,138)	(2,825,818)	-	(12,375,013)
<b>Nonoperating gains</b>						
Total investment income, net	35,482,097	277,191	355,345	-	-	36,114,633
Investments earnings authorized for operations	(16,858,929)	-	-	-	-	(16,858,929)
Other (losses) gains, net	(609,670)	(6,389)	-	-	-	(616,059)
Nonoperating gains (losses), net	18,013,498	270,802	355,345	-	-	18,639,645
Change in net assets before net asset transfers	19,410,866	(4,377,623)	(5,942,793)	(2,825,818)	-	6,264,632
Net asset transfers	(898,326)	898,326	-	-	-	-
Increase (decrease) in net assets without donor restrictions: WGBH Educational Foundation	18,512,540	(3,479,297)	(5,942,793)	(2,825,818)	-	6,264,632
Change in net assets without donor restrictions: Noncontrolling Interest in CDP	-	-	-	(599,180)	-	(599,180)
Total increase (decrease) in net assets without donor restrictions	18,512,540	(3,479,297)	(5,942,793)	(3,424,998)	-	5,665,452
Beginning of year	426,214,403	5,074,224	(12,244,768)	3,829,228	-	422,873,087
End of year	\$ 444,726,943	\$ 1,594,927	\$ (18,187,561)	\$ 404,230	\$ -	428,538,539

The accompanying note is an integral part of this supplemental consolidating information.

# WGBH Educational Foundation and Subsidiaries

## Consolidating Statement of Activities

### Year Ended June 30, 2024

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
<b>Net assets without donor restrictions at June 30, 2023</b>	<u>\$ 426,214,403</u>	<u>\$ 5,074,224</u>	<u>\$ (12,244,768)</u>	<u>\$ 3,829,228</u>	<u>\$ -</u>	<u>\$ 422,873,087</u>
Surplus (deficit) of operating revenue over operating expenses	1,397,368	(4,648,425)	(6,298,138)	(2,825,818)	-	(12,375,013)
Total investment income, net	35,482,097	277,191	355,345	-	-	36,114,633
Investments earnings authorized for operations	(16,858,929)	-	-	-	-	(16,858,929)
Other (losses) gains, net	(609,670)	(6,389)	-	-	-	(616,059)
Total increase (decrease) in net assets without donor restrictions before net asset transfers	19,410,866	(4,377,623)	(5,942,793)	(2,825,818)	-	6,264,632
Net asset transfers	(898,326)	898,326	-	-	-	-
Total increase (decrease) in net assets without donor restrictions: WGBH Educational Foundation	18,512,540	(3,479,297)	(5,942,793)	(2,825,818)	-	6,264,632
Noncontrolling interest in CDP	-	-	-	(599,180)	-	(599,180)
Total increase (decrease) in net assets without donor restrictions	18,512,540	(3,479,297)	(5,942,793)	(3,424,998)	-	5,665,452
<b>Net assets without donor restrictions at June 30, 2024</b>	<u>\$ 444,726,943</u>	<u>\$ 1,594,927</u>	<u>\$ (18,187,561)</u>	<u>\$ 404,230</u>	<u>\$ -</u>	<u>\$ 428,538,539</u>
<b>Net assets with donor restrictions at June 30, 2023</b>	<u>\$ 133,216,301</u>	<u>\$ 3,906,685</u>	<u>\$ 7,665,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,788,389</u>
Grants and contributions	31,614,825	544,883	3,382,931	-	(3,371,869)	32,170,770
Planned giving	537,000	450,000	-	-	-	987,000
Change in value of split interest agreements	527,233	3,580	276,908	-	-	807,721
Investment earnings authorized for operations	(3,837,949)	-	-	-	-	(3,837,949)
Net assets released from restrictions used for operations	(34,784,206)	(812,814)	(3,363,211)	-	3,371,869	(35,588,362)
Total investment income, net	8,287,072	37,270	-	-	-	8,324,342
Total increase in net assets with donor restrictions	2,343,975	222,919	296,628	-	-	2,863,522
<b>Net assets with donor restrictions at June 30, 2024</b>	<u>\$ 135,560,276</u>	<u>\$ 4,129,604</u>	<u>\$ 7,962,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,651,911</u>

The accompanying note is an integral part of this supplemental consolidating information.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidating Statement of Financial Position**  
**June 30, 2023**

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
<b>Assets</b>						
Cash	\$ 38,897,280	\$ 185,583	\$ 63,537	\$ 1,687,568	\$ -	\$ 40,833,968
Short term investments	35,027,715	-	-	-	-	35,027,715
Accounts receivable	20,045,562	351,049	3,625,014	1,377,190	(1,524,924)	23,873,891
Current portion of receivables for asset sales	5,194,845	-	-	-	-	5,194,845
Current portion of grants receivable, net	12,497,801	79,400	294,737	-	(2,542,745)	10,329,193
Current portion of pledges receivable, net	3,516,742	3,059,400	109,202	-	-	6,685,344
Film assets	37,801,416	-	-	-	-	37,801,416
Prepaid expenses and other assets	3,195,890	26,439	840,567	1,515,478	(28,985)	5,549,389
Total current assets	156,177,251	3,701,871	4,933,057	4,580,236	(4,096,654)	165,295,761
Long term pledges receivable, net	2,933,684	106,530	10,000	-	-	3,050,214
Long-term grants receivable, net	5,351,615	-	-	-	-	5,351,615
Long-term receivables for asset sales	96,605,489	-	-	-	-	96,605,489
Radio and television licenses	17,666,713	2,780,000	-	-	-	20,446,713
Intangible assets	-	-	380,000	501,250	(501,250)	380,000
Goodwill	-	-	-	1,146,547	(1,146,547)	-
Other assets	4,062,890	20,928	-	-	-	4,083,818
Equity investments	37,331,552	-	322,500	-	-	37,654,052
Funds held under bond agreements - restricted	2,729,295	-	-	-	-	2,729,295
Long-term investments	414,535,598	1,807,209	7,194,945	-	-	423,537,752
Right-of-use assets	40,852,672	1,280,162	370,329	141,040	(141,040)	42,503,163
Property, facilities and equipment, net	143,394,243	5,510,454	126,167	17,663	-	149,048,527
Total assets	\$ 921,641,002	\$ 15,207,154	\$ 13,336,998	\$ 6,386,736	\$ (5,885,491)	\$ 950,686,399
<b>Liabilities</b>						
Current maturities of debt	\$ 3,263,828	\$ 1,061,234	\$ 6,252,288	\$ -	\$ -	\$ 10,577,350
Accounts payable	6,555,698	2,118,415	6,855,439	950,377	(1,835,664)	14,644,265
Accrued expenses	17,535,963	1,278,395	1,246,514	1,281,816	(2,229,203)	19,113,485
Royalties payable	2,144,539	-	-	-	-	2,144,539
Current accrued bond interest expense	6,431,543	-	-	-	-	6,431,543
Current portion of lease liabilities	1,212,748	62,128	184,092	143,842	(143,842)	1,458,968
Deferred revenue and other liabilities	18,668,809	89,877	1,830,617	181,473	(28,985)	20,741,791
Total current liabilities	55,813,128	4,610,049	16,368,950	2,557,508	(4,237,694)	75,111,941
Long term deferred revenue and other liabilities	60,253,781	-	-	-	(1,647,797)	58,605,984
Long term lease liabilities	44,619,799	1,250,053	347,413	-	-	46,217,265
Long term debt, net	169,221,838	366,143	1,200,000	-	-	170,787,981
Long term accrued bond interest expense	32,301,752	-	-	-	-	32,301,752
Total liabilities	362,210,298	6,226,245	17,916,363	2,557,508	(5,885,491)	383,024,923
<b>Net assets</b>						
Without donor restrictions: WGBH Educational Foundation	426,214,403	5,074,224	(12,244,768)	2,271,445	-	421,315,304
Without donor restrictions: Noncontrolling interest in CDP	-	-	-	1,557,783	-	1,557,783
Total net assets without donor restrictions	426,214,403	5,074,224	(12,244,768)	3,829,228	-	422,873,087
With donor restrictions	133,216,301	3,906,685	7,665,403	-	-	144,788,389
Total net assets	559,430,704	8,980,909	(4,579,365)	3,829,228	-	567,661,476
Total liabilities and net assets	\$ 921,641,002	\$ 15,207,154	\$ 13,336,998	\$ 6,386,736	\$ (5,885,491)	\$ 950,686,399

The accompanying note is an integral part of this supplemental consolidating information.

**WGBH Educational Foundation and Subsidiaries**  
**Consolidating Statement of Activities**  
**Year Ended June 30, 2023**

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
<b>Operating revenue</b>						
Licensing	\$ 58,076,742	\$ -	\$ 216,181	\$ -	\$ -	\$ 58,292,923
Underwriting	20,723,571	1,643,701	12,801,442	-	-	35,168,714
Viewer and listener support	31,797,718	3,976,148	1,154,478	-	-	36,928,344
Grants and contributions	3,099,931	148,304	2,286,441	-	-	5,534,676
Community service grants from the Corporation for Public Broadcasting	8,075,897	206,524	-	-	-	8,282,421
Royalty	1,879,148	-	-	-	-	1,879,148
Captioning and ancillary services	5,347,821	-	-	-	-	5,347,821
Other services revenue	3,438,122	128,858	2,176,520	15,479,553	(4,074,529)	17,148,524
Planned giving	7,555,381	-	348,462	-	-	7,903,843
Change in value of split interest agreements	-	-	-	-	-	-
Accretion of interest and other income on long-term receivables	5,407,444	-	-	-	-	5,407,444
Gain on equity investments	14,601,219	-	-	-	-	14,601,219
Investment earnings authorized for operations	20,795,195	-	-	-	-	20,795,195
In-kind contributions and donated services	636,115	518,633	102,441	-	-	1,257,189
Affiliation fees	-	-	3,963,327	-	(68,956)	3,894,371
Distribution fees	-	-	5,211,025	-	(113,986)	5,097,039
Miscellaneous income	11,601,555	260,716	33,816	-	(370,391)	11,525,696
Total operating revenue	193,035,859	6,882,884	28,294,133	15,479,553	(4,627,862)	239,064,567
Net assets released from restrictions	30,523,853	344,320	3,198,125	-	(3,490,278)	30,576,020
Total operating revenue and other support	223,559,712	7,227,204	31,492,258	15,479,553	(8,118,140)	269,640,587
<b>Operating expenses</b>						
Program services						
Programming and production	159,822,904	3,803,519	11,420,839	-	(3,739,518)	171,307,744
Broadcasting	17,112,933	2,893,863	23,028,726	-	(57,002)	42,978,520
Public information, guides and educational material	7,902,668	645,344	-	6,597,948	1,067,359	16,213,319
Total program services	184,838,505	7,342,726	34,449,565	6,597,948	(2,729,161)	230,499,583
Supporting services						
Fundraising and development	19,514,373	1,839,013	1,519,341	-	(5,000,344)	17,872,383
Underwriting	8,032,461	573,814	-	-	-	8,606,275
General and administrative	15,252,345	2,689,780	2,845,813	10,931,536	(388,635)	31,330,839
Total supporting services	42,799,179	5,102,607	4,365,154	10,931,536	(5,388,979)	57,809,497
Total operating expenses	227,637,684	12,445,333	38,814,719	17,529,484	(8,118,140)	288,309,080
Deficit of operating revenue over operating expenses	(4,077,972)	(5,218,129)	(7,322,461)	(2,049,931)	-	(18,668,493)
<b>Nonoperating gains</b>						
Total investment income, net	21,120,200	107,445	330,465	-	-	21,558,110
Investments earnings authorized for operations	(18,619,919)	-	-	-	-	(18,619,919)
Other (losses) gains, net	(630,933)	(203,426)	642,338	-	-	(192,021)
Nonoperating gains (losses), net	1,869,348	(95,981)	972,803	-	-	2,746,170
Change in net assets before net asset transfers	(2,208,624)	(5,314,110)	(6,349,658)	(2,049,931)	-	(15,922,323)
Net asset transfers	(2,974,917)	2,974,917	-	-	-	-
Decrease in net assets without donor restrictions: WGBH Educational Foundation	(5,183,541)	(2,339,193)	(6,349,658)	(2,049,931)	-	(15,922,323)
Change in net assets without donor restrictions: Noncontrolling Interest in CDP	-	-	-	565,381	-	565,381
Total decrease in net assets without donor restrictions	(5,183,541)	(2,339,193)	(6,349,658)	(1,484,550)	-	(15,356,942)
Beginning of year	431,397,944	7,413,417	(5,895,110)	5,313,778	-	438,230,029
End of year	\$ 426,214,403	\$ 5,074,224	\$ (12,244,768)	\$ 3,829,228	\$ -	\$ 422,873,087

The accompanying note is an integral part of this supplemental consolidating information.

# WGBH Educational Foundation and Subsidiaries

## Consolidating Statement of Activities

### Year Ended June 30, 2023

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
<b>Net assets without donor restrictions at June 30, 2022</b>	<b>\$ 431,397,944</b>	<b>\$ 7,413,417</b>	<b>\$ (5,895,110)</b>	<b>\$ 5,313,778</b>	<b>\$ -</b>	<b>\$ 438,230,029</b>
(Deficit) of operating revenue over operating expenses	(4,077,972)	(5,218,129)	(7,322,461)	(2,049,931)	-	(18,668,493)
Total investment income, net	21,120,200	107,445	330,465	-	-	21,558,110
Investments earnings authorized for operations	(18,619,919)	-	-	-	-	(18,619,919)
Other (losses) gains, net	(630,933)	(203,426)	642,338	-	-	(192,021)
Total decrease in net assets without donor restrictions before net asset transfers	(2,208,624)	(5,314,110)	(6,349,658)	(2,049,931)	-	(15,922,323)
Net asset transfers	(2,974,917)	2,974,917	-	-	-	-
Total (decrease) in net assets without donor restrictions: WGBH Educational Foundation	(5,183,541)	(2,339,193)	(6,349,658)	(2,049,931)	-	(15,922,323)
Noncontrolling interest in CDP	-	-	-	565,381	-	565,381
Total decrease in net assets without donor restrictions	(5,183,541)	(2,339,193)	(6,349,658)	(1,484,550)	-	(15,356,942)
<b>Net assets without donor restrictions at June 30, 2023</b>	<b>\$ 426,214,403</b>	<b>\$ 5,074,224</b>	<b>\$ (12,244,768)</b>	<b>\$ 3,829,228</b>	<b>\$ -</b>	<b>\$ 422,873,087</b>
<b>Net assets with donor restrictions at June 30, 2022</b>	<b>\$ 114,021,605</b>	<b>\$ 844,812</b>	<b>\$ 8,065,914</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122,932,331</b>
Grants and contributions	45,700,279	381,080	2,443,078	-	(3,490,278)	45,034,159
Planned giving	1,117,854	3,000,000	138,405	-	-	4,256,259
Change in value of split interest agreements	(3,116)	2,022	216,131	-	-	215,037
Investment earnings authorized for operations	(2,175,276)	-	-	-	-	(2,175,276)
Net assets released from restrictions used for operations	(30,523,853)	(344,320)	(3,198,125)	-	3,490,278	(30,576,020)
Total investment income, net	5,078,808	23,091	-	-	-	5,101,899
Total increase (decrease) in net assets with donor restrictions	19,194,696	3,061,873	(400,511)	-	-	21,856,058
<b>Net assets with donor restrictions at June 30, 2023</b>	<b>\$ 133,216,301</b>	<b>\$ 3,906,685</b>	<b>\$ 7,665,403</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 144,788,389</b>

The accompanying note is an integral part of this supplemental consolidating information.



# **WGBH Educational Foundation and Subsidiaries**

## **Note to Supplemental Consolidating Information**

### **June 30, 2024 and 2023**

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#### **1. Basis of Presentation**

The accompanying supplemental consolidating information includes the consolidating statement of financial position and activities of the individual entities of WGBH Educational Foundation and Subsidiaries. All intercompany accounts and transactions between entities have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.