WLVT-TV CHANNEL 39
LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2023 AND 2022

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
WLVT-TV Channel 39 Lehigh Valley Public
 Telecommunications Corporation and Affiliates
Bethlehem, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of WLVT-TV Channel 39 Lehigh Valley Public Telecommunications Corporation and Affiliates, collectively known as the Organization, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, in fiscal year 2023 the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefor is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bethlehem, Pennsylvania
December 13, 2023

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 23,201	$ 84,941
Accounts Receivable, Net of Allowance of $51,566	255,464	281,397
Grants Receivable	-	379,864
Pledges Receivable	426,871	819,467
Due from IEI	274,802	288,916
Investments	80,644,157	84,115,046
Prepaid Expenses	217,025	150,118
Total Current Assets	81,841,520	86,119,749
PROPERTY AND EQUIPMENT, NET	9,014,666	9,403,676
OPERATING LEASE RIGHT-OF-USE ASSETS, NET	49,948	-
OTHER ASSETS		
Pledges Receivable, Net of Current Portion	1,077,721	968,071
Beneficial Interest in Perpetual Trust	60,925	59,997
Intangible Assets, Net	1,059,665	1,066,030
Spectrum Usage Rights	39,876,085	39,876,085
Total Other Assets	42,074,396	41,970,183
Total Assets	$ 132,980,530	$ 137,493,608
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	$ 6,579,711	$ 9,824,507
Operating Lease Liabilities	15,716	-
Accounts Payable and Accrued Expenses	1,141,693	511,749
Deferred Operating Expenses	6,667	6,150
Contract Liabilities	82,557	64,758
Total Current Liabilities	7,826,344	10,407,164
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	34,232	-
Total Liabilities	7,860,576	10,407,164
NET ASSETS		
Without Donor Restrictions	124,855,028	126,887,536
With Donor Restrictions	264,926	198,908
Total Net Assets	125,119,954	127,086,444
Total Liabilities and Net Assets	$ 132,980,530	$ 137,493,608

See accompanying Notes to Consolidated Financial Statements.

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
REVENUES AND SUPPORT				
Contributions	$ 2,015,185	$ 70,000	$ 2,085,185	$ 3,029,662
Grants:				
Corporation for Public Broadcasting	1,134,243	-	1,134,243	923,839
Other	770,774	155,000	925,774	2,569,205
Fundraising Event, Net of Direct Expenses of $97,476 and $44,504, Respectively	154,363	-	154,363	29,066
Contributions of Nonfinancial Assets	348,820	-	348,820	308,311
Production Services	104,975	-	104,975	186,950
Underwriting	220,768	-	220,768	200,384
Instructional Television Programming	21,443	-	21,443	62,829
Change in Value of Beneficial Interest in Perpetual Trust	-	4,204	4,204	(12,199)
Miscellaneous	194,862	-	194,862	569,333
Total	4,965,433	229,204	5,194,637	7,867,380
Net Assets Released from Restrictions	163,186	(163,186)	-	-
Total Revenues and Support	5,128,619	66,018	5,194,637	7,867,380
EXPENSES				
Program Services:				
Programming and Production	8,153,747	-	8,153,747	7,093,019
Broadcasting	2,492,343	-	2,492,343	2,204,613
Total Program Services	10,646,090	-	10,646,090	9,297,632
Supporting Services:				
Fundraising and Development	2,163,698	-	2,163,698	1,749,217
Administrative and General	2,192,350	-	2,192,350	1,492,224
Total Supporting Services	4,356,048	-	4,356,048	3,241,441
Total Expenses	15,002,138	-	15,002,138	12,539,073
DECREASE IN NET ASSETS FROM OPERATING ACTIVITIES	(9,873,519)	66,018	(9,807,501)	(4,671,693)
NONOPERATING ACTIVITY				
Interest and Dividend Income, Net	2,784,439	-	2,784,439	4,467,445
Interest Expense	(496,667)	-	(496,667)	(138,499)
Realized Gain (Loss) on Investments	(1,201,602)	-	(1,201,602)	897,501
Unrealized Gain (Loss) on Investments	6,754,841	-	6,754,841	(21,525,474)
Total Nonoperating Income (Loss)	7,841,011	-	7,841,011	(16,299,027)
INCREASE (DECREASE) IN NET ASSETS	(2,032,508)	66,018	(1,966,490)	(20,970,720)
Net Assets - Beginning of Year	126,887,536	198,908	127,086,444	148,057,164
NET ASSETS - END OF YEAR	$ 124,855,028	$ 264,926	$ 125,119,954	$ 127,086,444

See accompanying Notes to Consolidated Financial Statements.

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 2,649,662	$ 380,000	$ 3,029,662
Grants:			
Corporation for Public Broadcasting	923,839	-	923,839
Other	2,569,205	-	2,569,205
Fundraising event, net of direct expenses of $44,504	29,066	-	29,066
Contributions of Nonfinancial Assets	308,311	-	308,311
Production Services	186,950	-	186,950
Underwriting	200,384	-	200,384
Instructional Television Programming	62,829	-	62,829
Change in Value of Beneficial Interest in Perpetual Trust	-	(12,199)	(12,199)
Miscellaneous	569,333	-	569,333
Total	7,499,579	367,801	7,867,380
Net Assets Released from Restrictions	452,085	(452,085)	-
Total Revenues and Support	7,951,664	(84,284)	7,867,380
EXPENSES			
Program Services:			
Programming and Production	7,093,019	-	7,093,019
Broadcasting	2,204,613	-	2,204,613
Total Program Services	9,297,632	-	9,297,632
Supporting Services:			
Fundraising and Development	1,749,217	-	1,749,217
Administrative and General	1,492,224	-	1,492,224
Total Supporting Services	3,241,441	-	3,241,441
Total Expenses	12,539,073	-	12,539,073
DECREASE IN NET ASSETS FROM OPERATING ACTIVITIES	(4,587,409)	(84,284)	(4,671,693)
NONOPERATING ACTIVITY			
Interest and Dividend Income, Net	4,467,445	-	4,467,445
Interest Expense	(138,499)	-	(138,499)
Realized Gain on Investments	897,501	-	897,501
Unrealized Loss on Investments	(21,525,474)	-	(21,525,474)
Total Nonoperating Income	(16,299,027)	-	(16,299,027)
DECREASE IN NET ASSETS	(20,886,436)	(84,284)	(20,970,720)
Net Assets - Beginning of Year	147,773,972	283,192	148,057,164
NET ASSETS - END OF YEAR	$ 126,887,536	$ 198,908	$ 127,086,444

See accompanying Notes to Consolidated Financial Statements.

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Expenses				Supporting Expenses			Total Expenses	
	Programming and Production - TV	Programming and Production - Radio	Broadcasting	Total Program Expenses	Fundraising and Development	Administrative and General	Total Supporting Expenses	2023	2022
Advertising and Promotion	$ 618,105	$ 23,114	$ -	$ 641,219	$ 2,500	$ -	$ 2,500	$ 643,719	$ 326,530
Amortization	-	-	-	-	-	6,364	6,364	6,364	6,364
Bad Debt	-	-	-	-	-	-	-	-	21,171
Conferences and Meetings	2,578	175	350	3,103	7,888	3,388	11,276	14,379	6,951
Contracted Services	1,964,010	107,459	173,625	2,245,094	363,908	76,648	440,556	2,685,650	2,534,694
Depreciation	512,153	26,283	93,172	631,608	99,876	101,560	201,436	833,044	803,804
Development	7,500	-	-	7,500	214,904	-	214,904	222,404	197,240
Employee Benefits	516,804	1,865	92,709	611,378	181,175	209,590	390,765	1,002,143	648,324
Equipment and Facility Rental	23,996	-	1,628	25,624	8,916	600	9,516	35,140	30,716
General Insurance	-	-	-	-	-	120,910	120,910	120,910	78,840
Licenses, Dues and Subscriptions	81,581	39,587	53,294	174,462	26,670	41,959	68,629	243,091	168,056
Miscellaneous	-	-	-	-	15,000	(643)	14,357	14,357	9,536
Office Supplies and Bank Fees	29,949	615	5,171	35,735	46,253	28,528	74,781	110,516	103,364
Payroll Taxes	199,243	-	43,313	242,556	72,859	76,181	149,040	391,596	332,005
Postage and Printing	29,504	2,256	221	31,981	73,758	23,657	97,415	129,396	127,623
Professional Fees	36,647	2,288	-	38,935	-	107,771	107,771	146,706	80,756
Programming	885,062	106,530	11,734	1,003,326	-	104,900	104,900	1,108,226	1,035,819
Repairs and Maintenance	44,583	9,407	256,228	310,218	3,680	-	3,680	313,898	220,979
Salaries and Wages	2,787,738	-	622,254	3,409,992	1,026,254	1,229,496	2,255,750	5,665,742	4,668,238
Spectrum Rental	-	-	400,000	400,000	-		-	400,000	400,000
Supplies and Equipment	19,658	20,964	18,144	58,766	200	1,028	1,228	59,994	55,089
Telephone and Utilities	7,015	-	715,208	722,223	378	725	1,103	723,326	576,977
Travel and Entertainment	46,881	197	5,292	52,370	19,479	59,688	79,167	131,537	105,997
Total	$ 7,813,007	$ 340,740	$ 2,492,343	$ 10,646,090	$ 2,163,698	$ 2,192,350	$ 4,356,048	$ 15,002,138	$ 12,539,073

See accompanying Notes to Consolidated Financial Statements.

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Expenses				Supporting Expenses			
	Programming and Production - TV	Programming and Production - Radio	Broadcasting	Total Program Expenses	Fundraising and Development	Administrative and General	Total Supporting Expenses	Total Expenses
Advertising and Promotion	$ 224,182	$ 100,013	$ -	$ 324,195	$ 2,335	$ -	$ 2,335	$ 326,530
Amortization	-	-	-	-	-	6,364	6,364	6,364
Bad Debt	-	-	-	-	-	21,171	21,171	21,171
Conferences and Meetings	288	-	-	288	249	6,414	6,663	6,951
Contracted Services	1,985,939	91,745	142,075	2,219,759	252,295	62,640	314,935	2,534,694
Depreciation	486,727	44,678	134,926	666,331	74,464	63,009	137,473	803,804
Development	-	375	-	375	196,865	-	196,865	197,240
Employee Benefits	255,906	71,781	63,270	390,957	117,335	140,032	257,367	648,324
Equipment and Facility Rental	12,383	-	668	13,051	17,665	-	17,665	30,716
General Insurance	179	-	-	179	-	78,661	78,661	78,840
Licenses, Dues and Subscriptions	58,983	39,939	28,423	127,345	14,584	26,127	40,711	168,056
Miscellaneous	-	-	-	-	-	9,536	9,536	9,536
Office Supplies and Bank Fees	62,878	1,944	2,999	67,821	19,377	16,166	35,543	103,364
Payroll Taxes	144,346	24,241	42,478	211,065	60,906	60,034	120,940	332,005
Postage and Printing	10,740	1,850	4,953	17,543	82,061	28,019	110,080	127,623
Professional Fees	1,425	950	-	2,375	-	78,381	78,381	80,756
Programming	917,033	113,522	1,235	1,031,790	29	4,000	4,029	1,035,819
Repairs and Maintenance	6,166	15,923	196,482	218,571	1,840	568	2,408	220,979
Salaries and Wages	1,999,636	329,963	603,989	2,933,588	888,610	846,040	1,734,650	4,668,238
Spectrum Rental	-	-	400,000	400,000	-	-	-	400,000
Supplies and Equipment	21,281	16,200	17,416	54,897	-	192	192	55,089
Telephone and Utilities	10,066		565,325	575,391	623	963	1,586	576,977
Travel and Entertainment	37,161	4,576	374	42,111	19,979	43,907	63,886	105,997
Total	$ 6,235,319	$ 857,700	$ 2,204,613	$ 9,297,632	$ 1,749,217	$ 1,492,224	$ 3,241,441	$ 12,539,073

See accompanying Notes to Consolidated Financial Statements.

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (1,966,490)	$ (20,970,693)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	833,044	803,778
Amortization Expense	6,365	6,364
Bad Debt Expense	-	21,171
Realized Loss (Gain) on Investments	1,201,602	(897,501)
Unrealized Loss (Gain) on Investments	(6,754,841)	21,525,474
Change in Value of Beneficial Interest in Perpetual Trust	(4,204)	12,199
Changes in Operating Assets and Liabilities:		
Accounts Receivable	25,933	21,054
Grants Receivable	379,864	222,284
Pledges Receivable	282,946	(1,684,923)
Due from IEI	14,114	(288,916)
Prepaid Expenses	(66,907)	124,363
Beneficial Interest in Perpetual Trust	3,276	2,814
Cash Overdraft	-	(47,848)
Accounts Payable and Accrued Expenses	629,944	(86,266)
Deferred Operating Expenses	517	6,150
Contract Liabilities	17,799	(9,681)
Net Cash Used by Operating Activities	(5,397,038)	(1,240,177)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	13,128,592	3,534,486
Purchases of Investments	(4,104,465)	(4,566,865)
Purchases of Property and Equipment	(444,033)	(172,792)
Net Cash Provided (Used) by Investing Activities	8,580,094	(1,205,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from Line of Credit	6,804,915	3,146,922
Payments on Line of Credit	(10,049,711)	(625,000)
Net Cash Provided (Used) by Financing Activities	(3,244,796)	2,521,922
NET INCREASE (DECREASE) IN CASH	(61,740)	76,574
Cash - Beginning of Year	84,941	8,367
CASH - END OF YEAR	$ 23,201	$ 84,941

See accompanying Notes to Consolidated Financial Statements.

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
NON CASH OPERATING ACTIVITIES		
In-Kind Contribution of Services	$ 348,820	$ 308,311
ADDITIONAL CASH FLOW INFORMATION		
Cash Paid for Interest	$ 496,667	$ 138,499

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature and Purpose of the Organization

WLVT-TV Channel 39 is a community television station licensed to the Lehigh Valley Public Telecommunications Corporation, (WLVT) a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The station provides public broadcasting services to Pennsylvania's Lehigh Valley and surrounding communities. WLVT RE, a not-for-profit corporation under Section 501 (c)(2) of the Internal Revenue Code, was formed in December 2010 to hold title to all real property of the Organization and provide developmental support to WLVT. PBS39 Foundation, a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code, was formed in January 2010 to provide financial and developmental support to WLVT. PBS39 Foundation was dissolved in February 2022 and any remaining assets and liabilities were transferred to WLVT. Collectively, the entities operate as Lehigh Valley Public Media.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of WLVT-TV, WLVT RE, Inc., and PBS39 Foundation, collectively known as the Organization. WLVT RE, Inc. (WLVT RE) and PBS39 Foundation (Foundation) are consolidated since WLVT-TV Channel 39 has a controlling interest in each of these entities. All material intercompany transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting, in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions or law and include funds designated by the Board of Directors for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates, that resources be maintained in perpetuity.

Cash

Cash consists of non-interest bearing checking accounts which are maintained at several financial institutions.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable primarily represent amounts due for production services, underwriting and educational programming and are stated at the amount the Organization expects to collect. These receivables are non-interest bearing and are not collateralized. The Organization maintains allowances for credit losses for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: historical collection experience, a review of the current status of receivables and judgment.

Based on management's assessment, the Organization provides for estimated credit losses through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable efforts are written off through a charge to the valuation and a credit to accounts receivable. The balance in the allowance for credit losses for each of the years ended June 30, 2023 and 2022, was $51,566.

Pledges Receivable

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior year experience and management's analysis of specific promises made.

Valuation of Investments in Securities at Fair Value

The Organization complies with the provisions of FASB ASC 820, *Fair Value Measurement and Disclosures*. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Investments in Securities at Fair Value (Continued)

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Property and Equipment

Donations of property and equipment are recorded at their estimated fair value at the date of donation. Such donations are recorded as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Purchased property and equipment are recorded at cost. Maintenance and repairs which neither materially add to the value of property nor appreciably prolong its life are charged to expense. The cost of assets retired or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Related gains or losses from such transactions are credited or charged to income.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

Intangible Assets

The spectrum usage rights (refer to Note 12) and broadcast license (refer to Note 7) are considered indefinite-lived intangibles and are not subject to amortization but are tested for impairment annually and whenever events or circumstances change, such as a significant adverse change in the economic climate that would make it more likely than not that impairment may have occurred. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized. Management has reviewed the Organization's intangible assets and believes that there has been no impairment as of June 30, 2023.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization’s membership base generally consists of viewers and other patrons located in the Lehigh Valley and surrounding regions of Pennsylvania. Operating revenue is mainly generated through membership contributions and support, grants from the Center for Public Broadcasting and other organizations and underwriting and production activities. Local economic factors and government regulations can have an impact on the amount and timing of the Organization’s revenue and cash flow.

At June 30, 2023 and 2022, the Organization held no contract assets. Contract liabilities at June 30, 2023 and 2022 consisted solely of deferred revenue which totaled $82,557 and $64,758, respectively. Contract liabilities at June 30, 2021 totaled $74,439.

Contributions

In accordance with ASC 958, contributions are comprised primarily of membership and other donations which are recorded as revenue when the unconditional promise to give has been made. Donor restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increases that net asset class. When a temporary restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statements of activities as net assets released from restrictions.

Grants

The Organization receives grant revenue from the Corporation for Public Broadcasting as well as other supporting organizations. Grant revenue deemed to be a contribution and whose restrictions are met within the same year as received are reported as grants without donor restrictions in the accompanying consolidated financial statements. Revenue derived from cost-reimbursable grants are conditioned upon certain performance requirements or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization incurred expenditures in compliance with specific grant provisions. The Organization received grants of $450,000 that have not been recognized at June 30, 2023 because certain grant conditions have not yet been met.

Underwriting and Production Services

In accordance with ASC 606, *Revenue from Contracts with Customers*, revenues for underwriting and production services are recorded as a contract liability and recognized over the period during which the related expenses are incurred, which coincides with the period during which the underwritten programming is broadcast and production assignment are complete.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets

Contributed nonfinancial assets comprise of the net activity derived from trade agreements with various businesses and are used in broadcast operations and promotion of the Organization's mission. The Organization estimated the fair value of the contributions based on values assigned in trade agreements. Contributed nonfinancial assets were charged to the following expenses:

	2023	2022
Broadcasting	$ 302,000	$ 297,872
Fundraising and Development	40,129	6,524
Administrative and General	6,691	3,915
Total	$ 348,820	$ 308,311

Advertising and Promotions

The Organization expenses advertising costs as they are incurred. Total advertising and promotion costs for the years ended June 30, 2023 and 2022 were $620,061 and $326,530, respectively, including $38,350 and $5,400, respectively, of in-kind advertising.

Functional Expenses

The consolidated statement of functional expenses reports certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are tracked and recorded based on usage by the various internal departments of the Organization. Each of the internal departments is assigned to either a program or supporting function and the expenses incurred by the department are allocated to the respective functional category on the consolidated statement of functional expenses. Depreciation expense is allocated based on the average employee headcount within each functional category.

Income Taxes

No provision for income taxes has been made in the consolidated financial statements since WLVT and the Foundation are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. WLVT RE is exempt under Section 501(c)(2) of the Internal Revenue Code and similar state provisions. However, income from activities not directly related to the Organization's tax-exempt purpose, if any, would be subject to taxation as unrelated business income.

The Organization complies with guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the position will be sustained upon examination by tax authorities. As of June 30, 2023 and 2022, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of consolidated financial statements, in accordance with generally accepted accounting principles, requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Estimate

Effective July 1, 2022, the Organization changed its vacation policy to remove the limits for paid time off granted to employees. Accordingly, the Organization has ceased recording an estimate of the liability for unpaid vacation time since employees can no longer accrue unused paid time off. This change had the effect of reducing accrued expenses and increasing net assets by approximately $108,000 as of June 30, 2022.

Adoption of New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to asset the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new leases accounting guidance, the Organization recognized on July 1, 2022 a lease liability of $65,219, which represents the present value of the remaining operating lease payments of $69,041, discounted using a risk free rate of 2.88%, and a ROU asset of $65,219.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard (Continued)

There was no adjustment to net assets as a result of recording the lease liability and ROU asset. The standard had a material impact on the statement of financial position but did not have a material impact on the statements of activities and statements of cash flows.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization maintains financial assets, such as cash and investment securities, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. The Organization's cash flows and liquidity are primarily driven by returns earned and distributions taken on the Organization's investment holdings. Supporting cash flows are also provided by donor contributions and grants, which are typically available for operations unless the donor or grantor has identified a specific restriction for the gift. As of June 30, 2023, the Organization also has approximately $12,400,000 in lines of credit available in the event of an unexpected liquidity need.

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

Financial assets available for general expenditure within one year of the consolidated statement of financial position date comprise the following:

	2023	2022
Cash	$ 23,201	$ 84,941
Accounts Receivable, Net	255,464	281,397
Grants Receivable	-	379,864
Pledges Receivable	426,871	819,467
Investments, at Fair Value	80,644,157	84,115,046
Total	$ 81,349,693	$ 85,680,715

NOTE 3 CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash accounts at several financial institutions. The amounts held at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of $250,000. The risk is managed by maintaining all deposits at high quality financial institutions. At times during the year the Organization’s accounts may be in excess of federally insured limits. The Organization had at-risk balances of $105,940 and $0 at June 30, 2023 and 2022, respectively.

NOTE 4 INVESTMENTS

The Organization’s investments in securities are recorded at fair value and have been categorized based upon a fair value hierarchy, in accordance with FASB ASC 820 (see Note 1). Investments holdings at fair value are summarized as follows:

Level 1:	2023	2022
Equities	$ -	$ 5,089
Equity Mutual Funds	57,114,691	56,631,812
Fixed Income Mutual Funds	23,103,981	26,749,683
Money Markets	4,254	9,990
Total	$ 80,222,926	$ 83,396,574

Total investment return and its classification in the consolidated statements of activities are summarized as follows:

	2023	2022
Interest and Dividend Income, Net of Fees	$ 2,784,439	$ 4,467,446
Realized Gain (Loss) on Investments	(1,201,602)	897,501
Unrealized Gain (Loss) on Investments	6,754,841	(21,525,474)
Total Return on Investments	$ 8,337,678	$ (16,160,527)

NOTE 4 INVESTMENTS (CONTINUED)

Investment fees for the years ended June 30, 2023 and 2022 were $61,001 and $66,194, respectively.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

The Organization has a 33.3% equity interest in LBF Spectrum Partners, LLC, (LBF) a joint venture formed under a channel share agreement (CSA), with two other stations to hold, operate, and maintain certain transmission equipment to continue broadcasting after the sale of the Organization's spectrum usage rights in April 2017. The Organization accounts for its interest in LBF using the equity method. Under the equity method, the investment is initially recorded at cost and is subsequently increased by the Organization's contributions and proportional share of net income, and decreased by the Organization's distributions and proportional share of net loss. The Organization's investment in LBF was $421,231 and $718,472 at June 30, 2023 and 2022, respectively.

Total investments recorded under fair value and under the equity method for the years ended June 30, 2023 and 2022 were $80,644,157 and $84,115,046, respectively.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30:

	2023	2022
Less than One Year	$ 426,871	$ 819,467
One to Five Years	1,077,721	840,214
More than Five Years	-	127,857
Total	$ 1,504,592	$ 1,787,538

Included in the pledges receivable balance at June 30, 2023 and 2022 is $48,365 and $76,984, respectively, from various unconditional promises to give from board members and other related parties to support the Organization's radio initiative.

NOTE 6 PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following at June 30:

	2023	2022
Land	$ 949,471	$ 949,471
Building and Improvements	9,903,905	9,836,081
Site Improvements	905,625	905,625
Equipment	8,136,691	7,869,405
Computers and Software	1,134,591	1,032,548
Furniture and Fixtures	646,884	640,004
Vehicles	75,864	75,862
Construction in Progress	18,045	18,045
Total	21,771,076	21,327,041
Less: Accumulated Depreciation	12,756,410	11,923,365
Property and Equipment, Net	$ 9,014,666	$ 9,403,676

Depreciation expense was $833,043 and $803,804 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 BROADCAST LICENSE

In 2018, the Organization acquired the broadcasting rights portion of the FCC license of station WYBE in Philadelphia for $1. The license was recorded at its estimated fair market value of $1,000,000 at the date of acquisition. The Organization incurred and capitalized $95,463 in costs directly related to the acquisition of the license. These costs are being amortized based on a 15-year useful life. Amortization expense for each the years ended June 30, 2023 and 2022, was $6,364.

NOTE 8 BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization has been named an income beneficiary in the will of an individual donor. The amount is held by a trust company in perpetuity and 17.25% of the net income is to be distributed to the Organization annually. The Organization uses the fair value basis for recognizing the asset. The method used to recognize the fair value is the fair market value of the assets contributed to the trust. The change in fair value is reflected as a gain or loss in net assets with donor restrictions. For the years ended June 30, 2023 and 2022, the Organization recognized gains (losses) of $4,204 and $(12,199), respectively.

NOTE 9 LINES OF CREDIT

The Organization has a $1,500,000 unsecured line of credit available for operational purposes. The line of credit does not have a formal expiration date, and interest on outstanding borrowings was payable at 2.25% plus LIBOR 30-day EOM. In 2023, the line of credit agreement was amended to have interest on outstanding borrowing at 2.37% plus the 1-Month CME Term SOFR Loan Rate (7.44% at June 30, 2023). The outstanding balance was $0 at both June 30, 2023 and 2022.

The Organization also has a $16,000,000 line of credit available for operational purposes. Interest on outstanding borrowings was payable at 1.45% plus LIBOR 30 day EOM. In March 2022, the line of credit agreement was amended to have interest on outstanding borrowings payable at 1.50% plus the 1-Month CME Term SOFR Loan Rate (6.57% at June 30, 2023). The expiration for the line of credit is December 31, 2023. The line of credit is secured by a portion of the Organization's property. The outstanding balance was $6,579,711 and $9,824,507 at June 30, 2023 and 2022, respectively.

During 2023, the Organization obtained a $1,500,000 line of credit available for operational purposes. The line of credit does not have a formal expiration date, and interest on outstanding borrowings is payable at 2.00% plus the Daily Simple SOFR Loan Rate (7.09% at June 30,2023). The outstanding balance was $0 at June 30, 2023.

NOTE 10 COLLABORATIVE ARRANGEMENTS

The Organization entered into an agreement with France Medias Monde (France 24) to broadcast France 24 programming over their secondary channel broadcast license. In exchange, France 24 provided $168,000 per year to offset the operating costs of broadcasting the programs. The agreement has been subsequently renewed and amended with the most recent being in June 2022 to extend the term to August 2024 and to update the fee to $40,000 per year. The Organization has accrued deferred operating expenses related to the agreement of $6,667 and $6,150 at June 30, 2023 and 2022, respectively.

The Organization entered into an agreement to outsource certain marketing and technology services to a third-party vendor. The agreement is for a four year term with automatic three-year renewals. The agreement requires monthly payments of $14,100 per month, plus certain incentive and additional fees. Total expenses under this agreement were $336,089 and $317,147 for the years ended June 30, 2023 and 2022, respectively.

NOTE 10 COLLABORATIVE ARRANGEMENTS (CONTINUED)

The Organization entered into an agreement to authorize VIA Media to act as an agent for underwriting activities for the station. Under the agreement, the Organization collects 60% of the gross underwriting revenue collected by the agent. The agreement is for a three year term with additional one year renewals thereafter. Total revenue earned under the agreement was $57,233 and $43,424 for the years ended June 30, 2023 and 2022, respectively.

The Organization entered into an agreement with Todd Donnelly Enterprises, LLC (TDE) to also act as an agent for underwriting activities for the station. For the year ended June 30, 2022, the Organization collected 60% of the gross underwriting revenue collected by the agent. The agreement did not contain a revenue guarantee. For the year ended June 30, 2023, the agreement was amended to lower the commission rate to 10% until the receivable balance due to the Organization was paid in full. Total revenue earned under the agreements was $46,264 and $68,750 for the year ended June 30, 2023 and 2022, respectively. At June 30, 2023, the Organization had a receivable balance of $122,216 from the revenue guarantee from the prior agreements. Subsequent to June 30, 2023, the agreement was amended to provide the Organization with all proceeds from underwriting activities, with 40% of the amounts received being applied against the outstanding receivable balance. The owner of TDE is a board member of the Organization.

The Organization executed a capacity reallocation agreement for additional broadcast capacity from one of their channel share partners in August 2017. The agreement requires the Organization to pay an annual re-allocation fee of $400,000 to the channel share partner. The agreement has automatic one year renewal terms and can be terminated at the request of either party. Total expenses under this agreement were $400,000 for each of the years ended June 30, 2023 and 2022.

The Organization entered into an agreement with Lehigh University (the University) for the management and programming of the University's radio station. Under the agreement, the Organization will be responsible for providing all programming for the station and for the costs incurred in the operation and management of the station. In return, the Organization will provide the University with educational opportunities for their students as well as other incentives. The agreement has a ten-year term with one ten-year renewal.

In October 2021, the Organization entered into an agreement with the Information Equity Initiative (IEI) to provide an advance of working capital. The advance will be repaid once unrestricted funds are available to IEI. The outstanding advance balance to the Organization is $274,802 and $288,916 at June 30, 2023 and 2022, respectively. IEI is a related party to the Organization.

NOTE 11 SPECTRUM USAGE RIGHTS

In April 2017, the Organization participated in a broadcast television spectrum incentive auction facilitated by the Federal Communications Commission (FCC). The Organization received a winning bid in the auction and sold its spectrum usage rights for $121,752,169.

The Organization received the proceeds from the auction in July 2017 and relinquished its usage rights to the winning bidder.

In order to continue broadcasting, the Organization entered into a channel sharing agreement (CSA) with another station that received a winning bid in the spectrum auction (Sharee) and a station that retained their spectrum usage rights (Sharer). Under the CSA, the Organization purchased a 33.3% interest in the spectrum usage rights of the Sharer station for $39,876,085, with payment occurring upon receipt of the spectrum auction proceeds. In addition, the partners in the CSA formed a joint venture to hold, operate, and maintain certain transmission equipment to operate the partner's respective broadcast stations under the CSA. The Organization's ownership in the venture is presented as a Level 3 investment for purposes of the consolidated financial statements; refer to Note 4.

NOTE 12 ASC 842 – LEASES

The Organization leases a copier under a lease agreement with an expiration date of July 31, 2026. In the normal course of business, it is expected that this lease will be renewed or replace by similar leases.

The following table provides quantitative information concerning the Organization's leases.

Operating Lease Cost:	$	16,908
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases		16,908
Right-of-use assets obtained in exchange for new operating lease liabilities:		65,219
Weighted-average remaining lease term - operating leases		3.1 years
Weighted-average discount rate - operating leases		2.88%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

NOTE 12 ASC 842 – LEASES (CONTINUED)

Year Ending June 30,		
2024	$	16,908
2025		16,908
2026		16,908
2027		1,409
Thereafter		-
Undiscounted cash flows		52,133
(Less) Imputed interest		(2,185)
Total present value	$	49,948
Current lease liabilities	$	15,716
Long-term lease liabilities		34,232
	$	49,948

NOTE 13 ASC 840 – LEASES

The Organization renewed a lease for a copier in August 2021. The lease requires monthly payments of $1,409 plus service and maintenance fees for 60 months. The lease expires in August 2027.

Future minimum lease payments under these leases as of June 30, 2022, were:

Year Ending June 30,		Amount
2023	$	16,908
2024		16,908
2025		16,908
2026		16,908
2027		1,409
Total	$	69,041

Total rental expense was $20,093 for the year ended June 30, 2022.

NOTE 14 RETIREMENT PLAN

The Organization maintains a defined contribution 401(k) retirement plan for its employees. The plan allows employees to participate in the plan the first day of the month following the completion of 250 hours of service in a three-month period. The Organization will match up to 100% of an employee's contribution up to 3% of his/her base salary and an additional 50% of contributions over 3% but not exceeding 5%. Employees may elect to defer greater than 5% of the employee's base salary, up to the maximum allowed by law.

Employer contributions to the plan amounted to $163,181 and $141,929 for the years ended June 30, 2023 and 2022, respectively.

NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods.

	2023	2022
Subject to Expenditure for Specific Purpose:		
Production and Programming	$ -	$ 138,911
Education	204,000	-
Subject to the Organization's Appropriation:		
Donor-Restricted Gift Required to be		
Maintained in Perpetuity by Donor	60,926	59,997
Total	$ 264,926	$ 198,908

NOTE 16 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows:

	2023	2022
Purpose Restrictions Accomplished:		
Production and Programming	$ 158,911	$ 449,271
Education	1,000	-
Operational Support	3,275	2,814
Total	$ 163,186	$ 452,085

NOTE 17 TRANSFER OF NET ASSETS

Effective February 1, 2022, the Foundation was dissolved and its remaining net assets were merged into WLVT. The total amount of net assets transferred at the dissolution date was $92,407,373. The transfer did not have an effect on the presentation of net assets in the consolidated financial statements.

NOTE 18 SUPPORT AND REVENUE CONCENTRATION

The Organization receives contributions from both individuals and businesses to support its various programs. During each of the years ended June 30, 2023 and 2022, the Organization received grant funding from one source representing 21% and 15%, respectively, of total operating revenues and support.

NOTE 19 RECLASSIFICATIONS

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on the prior year change in net assets.

NOTE 20 SUBSEQUENT EVENTS

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 13, 2023, the date on which the consolidated financial statements were issued. No events or transactions occurred that would require recognition or disclosure in the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
WLVT-TV Channel 39 Lehigh Valley Public
Telecommunications Corporation and Affiliates
Bethlehem, Pennsylvania

We have audited the consolidated financial statements of WLVT - TV Channel 39 Lehigh Valley Public Telecommunications Corporation and Affiliates as of and for the years ended June 30, 2023 and 2022, and have issued our report thereon dated December 13, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Activities – TV and Radio is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bethlehem, Pennsylvania
December 13, 2023

WLVT-TV CHANNEL 39 LEHIGH VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION AND AFFILIATES
SCHEDULE OF ACTIVITIES – TV AND RADIO
YEAR ENDED JUNE 30, 2023

	TV	Radio	Total
REVENUES AND SUPPORT			
Without Donor Restrictions:			
Contributions	$ 1,925,020	$ 90,165	$ 2,015,185
Grants			
Corporation for Public Broadcasting	1,134,243	-	1,134,243
Other	925,774	-	925,774
Fundraising Event, Net of Direct Expenses of $44,504	154,363	-	154,363
Contributions of Nonfinancial Assets	247,020	101,800	348,820
Production Services	102,875	2,100	104,975
Underwriting	164,916	55,852	220,768
Instructional Television Programming	21,443	-	21,443
Miscellaneous	194,862	-	194,862
With Donor Restrictions:			
Contributions	70,000	-	70,000
Change in Value of Beneficial Interest in Perpetual Trust	4,204	-	4,204
Total Revenues and Support	4,944,720	249,917	5,194,637
EXPENSES			
Programming and Production:			
Advertising and Promotion	618,105	23,114	641,219
Conferences and Meetings	2,578	175	2,753
Contracted Services	1,964,010	107,459	2,071,469
Depreciation	512,153	26,283	538,436
Development	7,500	-	7,500
Employee Benefits	516,804	1,865	518,669
Equipment and Facility Rental	23,996	-	23,996
General Insurance	-	-	-
Licenses, Dues, and Subscriptions	81,581	39,587	121,168
Office Supplies and Bank Fees	29,949	615	30,564
Payroll Taxes	199,243	-	199,243
Postage and Printing	29,504	2,256	31,760
Professional Fees	36,647	2,288	38,935
Programming	885,062	106,530	991,592
Repairs and Maintenance	44,583	9,407	53,990
Salaries and Wages	2,787,738	-	2,787,738
Supplies and Equipment	19,658	20,964	40,622
Telephone and Utilities	7,015	-	7,015
Travel and Entertainment	46,881	197	47,078
Total Programming and Production	7,813,007	340,740	8,153,747
Broadcasting	2,372,435	119,908	2,492,343
Supporting Services:			
Fundraising and Development	1,997,883	77,507	2,075,391
Underwriting and Grant Solicitation	65,966	22,341	88,307
Administrative and General	2,086,875	105,475	2,192,350
Total Expenses	14,336,166	665,972	15,002,138
NON-OPERATING ACTIVITY			
Investment Return	8,337,678	-	8,337,678
Interest Expense	(496,667)		(496,667)
Total Non-Operating Income (Loss)	7,841,011	-	7,841,011
DECREASE IN NET ASSETS	$ (1,550,435)	$ (416,055)	$ (1,966,490)