CASCADE PUBLIC MEDIA AND SUBSIDIARIES

Consolidated Financial Statements

For the Year Ended June 30, 2019

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Clark Nuber PS

Independent Auditor's Report

To the Board of Directors
Cascade Public Media and Subsidiaries
Seattle, Washington

We have audited the accompanying consolidated financial statements of Cascade Public Media and subsidiaries (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

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, 2019, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As discussed in Note 1, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - P*resentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 consolidated financial statements and expressed an unmodified opinion on those audited financial statements in our report dated November 15, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position on page 25 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
November 21, 2019

CASCADE PUBLIC MEDIA AND SUBSIDIARIES

Consolidated Statement of Financial Position
June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 4,212,073	$ 3,627,736
Investments held for short-term purposes	6,662,912	7,157,717
Accounts, grants and contributions receivable, net	1,284,184	817,815
Inventories and other current assets	514,589	318,808
Total Current Assets	**12,673,758**	**11,922,076**
Long-term grants receivable		150,000
Investments held for long-term purposes	28,903,599	15,721,353
Beneficial interest in trusts	730,772	769,892
Land, property and equipment, net	3,735,955	4,002,910
Other assets	86,334	86,334
Total Assets	**$ 46,130,418**	**$ 32,652,565**
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	$ 1,838,092	$ 1,865,411
Deferred revenue	881,667	1,139,380
Total Current Liabilities	**2,719,759**	**3,004,791**
Gift annuities payable	486,900	465,107
Long-term portion of accrued expenses	185,191	168,391
Long-term portion of deferred revenue	1,660,536	1,749,772
Total Liabilities	**5,052,386**	**5,388,061**
Net Assets:		
Without donor restrictions	25,579,688	22,836,851
With donor restrictions	15,498,344	4,427,653
Total Net Assets	**41,078,032**	**27,264,504**
Total Liabilities and Net Assets	**$ 46,130,418**	**$ 32,652,565**

See accompanying notes.

CASCADE PUBLIC MEDIA AND SUBSIDIARIES

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	2019			
	Without Donor Restrictions	With Donor Restrictions	Total	2018 Total
Cascade Public Media				
Revenues:				
Memberships	$ 12,816,507	$ -	$ 12,816,507	$ 12,654,459
Royalties, fees and other services	3,062,771		3,062,771	2,878,511
Community service grants from the Corporation for Public Broadcasting	2,059,955		2,059,955	1,889,713
Other grants and contributions	2,636,244	10,517,440	13,153,684	3,066,509
Underwriting	1,035,955		1,035,955	1,096,778
Donated professional services, materials and facilities	172,422		172,422	162,718
Other program funding	86,260	185,909	272,169	244,700
Other income	1,017,643	1,322,528	2,340,171	995,161
Net assets released from restrictions	1,149,624	(1,149,624)		
Total Revenues	**24,037,381**	**10,876,253**	**34,913,634**	**22,988,549**
Expenses:				
Program services	12,931,288		12,931,288	11,575,222
Supporting services-				
Development and fundraising	4,979,258		4,979,258	4,905,378
General and administrative	3,118,758		3,118,758	2,872,070
Total supporting services	8,098,016		8,098,016	7,777,448
Total Expenses	**21,029,304**		**21,029,304**	**19,352,670**
Change in Net Assets Before Transfers	**3,008,077**	**10,876,253**	**13,884,330**	**3,635,879**
Transfers:				
Transfer from quasi-endowment to endowment	(194,438)	194,438		
Total Change in Cascade Public Media Net Assets	**2,813,639**	**11,070,691**	**13,884,330**	**3,635,879**
Piranha Partners Inc.				
Revenues:				
Royalties, fees and other services				15,372
Production revenue	187,517		187,517	
Other income	55		55	35
Total Revenues	**187,572**		**187,572**	**15,407**
Program expenses	258,374		258,374	3,830
Total Change in Piranha Partners Inc. Net Assets	**(70,802)**		**(70,802)**	**11,577**
Total Change in Net Assets	**2,742,837**	**11,070,691**	**13,813,528**	**3,647,456**
Net assets, beginning of year	22,836,851	4,427,653	27,264,504	23,617,048
Net Assets, End of Year	**$ 25,579,688**	**$ 15,498,344**	**$ 41,078,032**	**$ 27,264,504**

See accompanying notes.

CASCADE PUBLIC MEDIA AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Program Services				Supporting Services			Total Expenses	
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Development and Fundraising	General and Administrative	Total Supporting Services	2019	2018
Personnel	$ 2,977,074	$ 1,444,263	$ 2,138,020	$ 6,559,357	$ 2,083,964	$ 1,701,884	$ 3,785,848	$ 10,345,205	$ 8,895,660
Program acquisition	2,720,615		69	2,720,684	274		274	2,720,958	2,570,053
Professional services	562,790	185,634	310,323	1,058,747	585,013	260,977	845,990	1,904,737	2,057,824
Printing and postage	51,944	2,328	398,509	452,781	852,626	40,438	893,064	1,345,845	1,263,624
Advertising and promotion	92,065		351,316	443,381	487,456	8,445	495,901	939,282	823,724
Supplies and maintenance	217,113	203,787	118,140	539,040	208,721	93,977	302,698	841,738	863,720
Depreciation and amortization	155,001	194,082	11,588	360,671	23,779	434,807	458,586	819,257	826,320
Occupancy	284,255	233,659	42,211	560,125	141,114	77,295	218,409	778,534	767,806
Licenses, permits and fees	35,649	250	11,383	47,282	373,215	56,703	429,918	477,200	352,612
Miscellaneous	119,288	3,876	6,132	129,296	157,109	107,187	264,296	393,592	119,331
Insurance					421	234,487	234,908	234,908	225,314
Travel and training	117,090	16,302	33,544	166,936	26,158	19,565	45,723	212,659	357,374
Donated services and supplies	146,626		300	146,926	24,846	650	25,496	172,422	162,719
Membership and dues	2,981	75	1,380	4,436	14,562	82,343	96,905	101,341	70,419
Total Expenses	**$ 7,482,491**	**$ 2,284,256**	**$ 3,422,915**	**$ 13,189,662**	**$ 4,979,258**	**$ 3,118,758**	**$ 8,098,016**	**$ 21,287,678**	**$ 19,356,500**

See accompanying notes.

CASCADE PUBLIC MEDIA AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Cash Flows From Operating Activities:		
Change in net assets	$ 13,813,528	$ 3,647,456
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation and amortization	819,256	826,320
Contributions restricted for investment in long-term assets and endowment	(10,109,038)	(62)
Unrealized gain on investments	(1,562,031)	(458,876)
Change in value of beneficial interest in trusts	(25,880)	(28,554)
Changes in operating assets and liabilities:		
Accounts, grants and contributions receivable	(316,369)	984,264
Inventories and other current assets	(195,781)	(82,077)
Accounts payable and accrued expenses	(48,699)	(37,900)
Deferred revenue	(346,949)	124,586
Gift annuities payable	21,793	(3,784)
Net Cash Provided by Operating Activities	**2,049,830**	**4,971,373**
Cash Flows From Investing Activities:		
Purchases of property and equipment	(514,121)	(722,420)
Purchases of investments	(12,673,022)	(9,783,601)
Proceeds from sale of investments	1,547,612	6,313,862
Net Cash Used in Investing Activities	**(11,639,531)**	**(4,192,159)**
Cash Flows From Financing Activities:		
Proceeds from contributions restricted for investment in long-term assets and endowments	10,109,038	62
Payments from beneficial interest in trusts	65,000	65,000
Net Cash Provided by Financing Activities	**10,174,038**	**65,062**
Net Change in Cash and Cash Equivalents	**584,337**	**844,276**
Cash and cash equivalents, beginning of year	3,627,736	2,783,460
Cash and Cash Equivalents, End of Year	**$ 4,212,073**	**$ 3,627,736**
Supplementary Information:		
Property and equipment purchases in accounts payable	$ 38,180	$ -

See accompanying notes.

Note 1 - Nature of Operations and Significant Accounting Policies

Organization - KCTS Television (KCTS), a nonprofit corporation incorporated in the State of Washington on September 16, 1983, provides service to the community through quality television programs. KCTS has operated continuously as a public television station since 1954.

On September 15, 1987, the Federal Communications Commission's (FCC) broadcast license was transferred from the University of Washington to KCTS, making it the owner and operator of KCTS. The license has been recorded at the nominal value of $1 to represent ownership.

In order to expand on the strategy and commitment to present content across multiple platforms and serve constituents across generations, KCTS merged with Crosscut Public Media, a nonprofit daily news website (Crosscut.com), on December 2, 2015. To better reflect the expanded activities of the organization, KCTS Television changed its legal name to Cascade Public Media in December 2015.

On May 29, 2017, the Organization incorporated Friends of KCTS 9 Society in British Columbia to promote and build funding support for public media, engage communities on social and civic issues, and to build audiences and fundraising for public media in the region.

KCTS is an award-winning PBS television station serving western and central Washington and British Columbia. KCTS educates and enriches the community by providing informative, entertaining programs on-air and online at KCTS9.org. This programming, combined with meaningful outreach, creates public dialogue on important local and national issues. KCTS also provides PBS KIDS 24/7, a television channel featuring curriculum-based educational content for families throughout the state; WORLD Channel, a television channel highlighting documentary, science and news programs from around the globe; and Create, a food, travel and lifestyle channel. Each week, KCTS broadcasts 45 hours (unaudited) of educational, noncommercial, nonviolent programs for children in addition to its PBS Kids 24/7 channel, which airs children's programming exclusively. KCTS is a member of the Public Broadcasting Service (PBS) and American Public Television (APT). KCTS is in the 13th largest television market in the United States, and with its Canada audiences included, KCTS, serves over 2 million viewers per week (unaudited). During the fiscal year 2019, more than 95,600 (unaudited) viewers made a contribution to KCTS. KCTS produces programs for local, regional, national, and international distribution.

Crosscut is the Pacific Northwest's reader-supported, independent, nonprofit digital news site. With teams focused on news and politics, arts and culture, and science and environment. Crosscut strives to provide readers with the facts and analysis they need to intelligently participate in civic discourse.

The Channel 9 Corporation (the Corporation), a for-profit corporation, was incorporated in the State of Washington by KCTS on September 9, 1991. In November 2018, the Corporation acquired Piranha Partners LLC and changed the name of the Corporation to Piranha Partners Inc. (Piranha). Piranha provides video production services to other nonprofit and for-profit businesses.

Principles of Consolidation - The consolidated financial statements include the accounts of Cascade Public Media, Friends of KCTS 9 Society, and the Corporation (collectively, the Organization). All significant inter-organization accounts and transactions have been eliminated.

Note 1 - Continued

Basis of Presentation - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

> Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions for use, or such donor-imposed restrictions were temporary and expired or were met during the current or previous years.
>
> Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Also included in this category are net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use the income earned on related investments for general or specific purposes.

Cash and Cash Equivalents - Investments with original maturities of less than 90 days are considered to be cash equivalents, except for cash or cash equivalents associated with investment accounts. The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

Investments - Investments in debt and equity securities with readily determinable market values are recorded at fair value. Investments in securities traded on national securities exchanges are valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price. Brokered certificates of deposit are reported at fair value based on active markets. Unrealized and realized gains and losses on investments are reported net of related investment expenses in other income on the consolidated statement of activities and changes in net assets.

Accounts, Grants and Contributions Receivable - Accounts, grants and contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to change in net assets and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts, grants, or contributions receivable. The allowance for doubtful accounts totaled $41,700 and $52,100 at June 30, 2019 and 2018, respectively. Current receivables are due within one year and long-term grants receivable are due within two years.

Inventories - Inventories consist of products for sale related to public television programs. Inventories are stated based on the lower of cost (average cost method) or market.

Costs Incurred for Programs Not Yet Telecast - Costs incurred for programs not yet telecast represent costs of acquired programs that will be telecast subsequent to year end and, excluding overhead, costs to produce programs for which future funding can be reasonably assured. These costs are accumulated in inventories and other current assets on the consolidated statement of financial position. Such costs are expensed and included in operating expenses when the program is first telecast.

Note 1 - Continued

Land, Property and Equipment - Land, property and equipment are recorded at cost or, in the case of donated property, estimated fair value at the date of receipt. Depreciation, where applicable, is calculated using the straight-line method over the following estimated useful lives:

Building and improvements	Lesser of 40 years or remaining lease term
Transmitter, antenna, microwave/TVRO	5 - 20 years
Studio and other broadcast and production equipment	3 - 7 years
Furniture and fixtures	5 - 10 years

Deferred Revenue - Deferred revenue represents primarily incentive payments received in connection with an excess capacity lease discussed in Note 8. Deferred revenue also includes unearned membership and production income.

Contributions and Revenue Recognition - Contribution revenue is recognized when cash is received, goods and services are donated, or when an unconditional promise is made. Conditional promises to give are not recorded as revenue until such donor conditions are met. The Organization's contributions are derived from various sources: memberships (individual pledges); underwriting (corporate pledges); nonproduction-related grants (primarily community service grants from the Corporation for Public Broadcasting); donated professional services, materials, and facilities; fundraising events; and capital additions (funds restricted by donors for the purchase of equipment).

A portion of membership revenue is deferred at year end to cover the cost of providing a monthly program guide to members.

Revenue from production-related grants represents amounts earned by the Organization for production-related services performed. These revenues are recorded based on the percentage-of-completion method.

Marketing and other revenues are derived from royalties, advertising, and product sales. These revenues are recognized as earned. Allowances for estimated sales returns are provided when the related revenue is recorded.

In-Kind Contributions - The Organization receives in-kind contributions from various sources that meet the criteria for recognition under current accounting standards and are reflected in the accompanying consolidated financial statements at their fair values at the time of donation. The following in-kind contributions were recognized in the consolidated statements of activities and changes in net assets for the years ended June 30:

	2019	2018
Program promotion and advertising	$ -	$ 40,768
Supplies, materials and facility use	172,422	121,950
Total In-Kind Contributions	**$ 172,422**	**$ 162,718**

Programming and Production Expenses - Program production costs are expensed based on the percentage-of-completion method.

Advertising Costs - The Organization expenses advertising costs as they are incurred. Advertising costs totaled approximately $436,000 and $162,000 for the years ended June 30, 2019 and 2018, respectively.

Note 1 - Continued

Functional Allocation of Expenses - The costs of providing the various program services and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services on the basis of benefits received. Allocation methods utilized include a square footage basis to allocate occupancy costs and a full-time equivalency (FTE) basis to allocate salary and fringe benefits to functional areas of the Organization.

	2019	2018
Program services	$ 13,189,662	$ 11,579,052
Development and fundraising	4,979,258	4,905,378
General and administrative	3,118,758	2,872,070
Total Functional Expenses	**$ 21,287,678**	**$ 19,356,500**

Income Taxes - Cascade Public Media has received a determination letter from the Internal Revenue Service approving its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the Code). The Corporation is a wholly owned subsidiary of Cascade Public Media and is a for-profit taxable company that files its own federal income tax returns.

The Corporation accounts for federal income taxes using the liability method, whereby deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Corporation had deferred tax assets aggregating approximately $354,000 and $374,000 at June 30, 2019 and 2018, respectively, which have been fully offset by a valuation allowance. For federal income tax purposes, the Corporation had net operating loss carryforwards of approximately $1,709,000 at June 30, 2019, which expire between 2020 and 2036.

Concentrations of Credit Risk - Financial instruments which potentially subject the Organization to concentrations of credit risk consist of accounts receivable, investments and cash. At various times during the fiscal year, the Organization’s bank and investment balances were in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) insurance amounts.

Revenue from one individual comprised 28% of the Organization’s total revenue for the year ended June 30, 2019. Revenue from one entity comprised 11% of the Organization’s total revenue for the year ended June 30, 2018. Receivables from one individual and one organization comprised 31% of total accounts, grants, and contributions receivable at June 30, 2019. Receivables from one individual and one organization comprised 53% of total accounts, grants, and contributions receivable at June 30, 2018.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Employees - As of June 30, 2019, the Organization employed 130 employees of whom approximately 17% are represented by a union under a collective bargaining agreement. A new collective bargaining agreement was entered into on September 5, 2018 and is effective until June 30, 2021.

On July 31, 2019, the 21 employees of the editorial staff voted to be represented by Pacific Northwest Newspaper Guild. Representatives from the union and management have begun negotiating a collective bargaining agreement.

Note 1 - Continued

Foreign Currency Translation - The functional currency of KCTS 9 Society of British Columbia is the Canadian dollar. Assets and liabilities of KCTS 9 Society of British Columbia have been translated into U.S. dollars at year end exchange rates. Any translation adjustments are included in the consolidated statement of activities and changes in net assets.

Prior Year Comparative Information - The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements for the year ended June 30, 2018, from which the summarized information was derived.

New Accounting Pronouncement - During the year ended June 30, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* required for the Organization’s year ended June 30, 2019. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity and availability of financial assets has also been added (Note 4).

Financial Statement Reclassifications - Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications have no effect on the change in net assets or net asset balances as previously reported.

Subsequent Events - The Organization has evaluated subsequent events through November 21, 2019, the date on which the financial statements were available to be issued.

Note 2 - Investments

Investments consisted of the following at June 30:

	2019	2018
Cash and cash equivalents	$ 3,112,165	$ 2,709,899
Certificates of deposit	763,800	565,867
Exchange traded funds	14,776,142	7,640,398
Mutual funds	16,910,423	11,958,974
Guaranteed investment accounts	3,981	3,932
Total Investments	**$ 35,566,511**	**$ 22,879,070**

Note 2 - Continued

Investment income consisted of the following for the years ended June 30:

	2019	2018
Net unrealized gain	$ 1,562,031	$ 458,876
Interest and dividends	644,018	530,775
Net realized gain (loss)	183,268	(1,554)
Investment fees and expenses	(73,184)	(76,688)
Total Investment Income	**$ 2,316,133**	**$ 911,409**

Note 3 - Fair Value Measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are significant to the fair value measurement.

A financial instrument’s level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

Cash and Cash Equivalents - Cash includes money market funds valued at cost plus accrued interest, which approximates fair value.

Certificates of Deposit - Brokered certificates of deposit are valued using quoted market prices in active markets for similar instruments.

Guaranteed Investment Accounts - Valued using bid evaluations from similar instruments in actively quoted markets.

Note 3 - Continued

Mutual Funds and Exchange Traded Funds - Valued at quoted market prices in active markets, which represent the net asset value of shares held by the Organization at year end.

Beneficial Interest in Trusts - Valued at the Organization's percentage interest in total trust assets.

The valuation methodologies used by the Organization may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets recorded at fair value on a recurring basis were as follows at June 30:

	Fair Value Measurements as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,112,165	$ -	$ -	$ 3,112,165
Certificates of deposit		763,800		763,800
Exchange traded funds	14,776,142			14,776,142
Guaranteed investment accounts		3,981		3,981
Mutual funds-				
Blend	3,651,019			3,651,019
Fixed income	11,034,878			11,034,878
Money market	38,067			38,067
Growth	2,186,459			2,186,459
	16,910,423			16,910,423
Beneficial interest in trusts			730,772	730,772
Total Investments at June 30, 2019	**$ 34,798,730**	**$ 767,781**	**$ 730,772**	**$ 36,297,283**

Note 3 - Continued

	Fair Value Measurements as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,709,899	$ -	$ -	$ 2,709,899
Certificates of deposit		565,867		565,867
Exchange traded funds	7,640,398			7,640,398
Guaranteed investment accounts		3,932		3,932
Mutual funds-				
Blend	69,143			69,143
Fixed income	8,064,264			8,064,264
Money market	1,339,165			1,339,165
Growth	2,486,402			2,486,402
	11,958,974			11,958,974
Beneficial interest in trusts			769,892	769,892
Total Investments at June 30, 2018	**$ 22,309,271**	**$ 569,799**	**$ 769,892**	**$ 23,648,962**

A reconciliation of the beginning and ending balances of beneficial interests in trusts, for which fair value measurements are made using significant unobservable inputs (Level 3) follows:

	2019	2018
Balance, beginning of year	$ 769,892	$ 806,338
Proceeds received	(65,000)	(65,000)
Total realized and unrealized gain	25,880	28,554
Balance, End of Year	**$ 730,772**	**$ 769,892**

Total realized and unrealized gain related to Level 3 assets are included in the change in net assets reported within other income on the consolidated statement of activities and changes in net assets.

Note 4 - Liquidity and Availability of Financial Assets

Liquidity - The Organization has a goal of structuring its financial assets to be available as its operating and capital expenditures, liabilities and other obligations come due. In addition, the Organization has a policy to target operating reserves to cover between three to six months of average cash operating expenses to meet any unforeseen operating cash shortfalls. Operating reserves of at least three months of operating expenses are maintained in cash and liquid investments. Operating reserves greater than three months of operating expenses may be invested at the direction of the Board of Directors. At June 30, 2019, the Organization maintained three months of operating expenses in cash and liquid investments and three months in CD's and other fixed-income investments as directed by the Board of Directors. The total operating reserve is included in the cash and cash equivalents and the investments held for short-term purposes lines on the consolidated statement of financial position. In the event of an unanticipated liquidity need, the Organization could also draw upon an available line of credit of $3,990,000 (as further discussed in Note 7).

The Organization also has a quasi-endowment of approximately $14.1 million. The Organization does not intend to spend from its quasi-endowment except for strategic expenditures approved by the Board of Directors. However, funds in the quasi-endowment could be made available to meet cash requirements if necessary. The quasi-endowment is included in the investments held for long-term purposes line on the consolidated statement of financial position.

Availability of Financial Assets - Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statement of financial position, consist of the following at June 30, 2019:

Cash and cash equivalents	$ 4,212,073
Accounts, grants and contributions receivable, net, to be collected in less than one year	1,284,184
Investments	35,566,511
Total financial assets, excluding split-interest agreements and beneficial interest in assets held by others	41,062,768
Donor-restricted endowment fund investments	(13,429,591)
add back: annual appropriation	54,068
Donor-restricted for specific programs or time	(1,367,699)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	**$ 26,319,546**

Cash and cash equivalents consist of checking and savings accounts, money market accounts, and highly liquid investments purchased with an original maturity of three months or less. Investments consist of certificates of deposit and publicly traded equity securities that are convertible to cash in the normal market trading cycle.

Note 5 - Land, Property and Equipment

Land, property and equipment are summarized as follows:

	2019	2018
Land	$ 128,371	$ 128,371
Building and improvements	9,224,761	9,200,609
Transmitter, antenna, microwave/TVRO	3,404,772	3,404,772
Studio and other broadcast and production equipment	20,881,799	20,309,934
Furniture and fixtures	674,651	647,110
	34,314,354	33,690,796
Less accumulated depreciation	(30,707,972)	(29,888,715)
	3,606,382	3,802,081
Construction-in-progress	129,573	200,829
Total Land, Property and Equipment, Net	**$ 3,735,955**	**$ 4,002,910**

Note 6 - Split-Interest Agreements

Gift Annuities - The Organization administers gift annuities for which it is obligated to make periodic distributions to designated beneficiaries. The Organization uses the actuarial method of recording these funds using discount rates ranging from 3.75% to 6.75%. Under this method, when a donation is received, the present value of the guaranteed distributions, based on life expectancy tables, is recorded as a liability, and the remaining interest is recorded as revenue. Periodic adjustments are made between the liability, revenues and expenses to record actuarial gains and losses. Net related gains on gift annuities totaled $78,207 and $6,533 for the years ended June 30, 2019 and 2018, respectively, and are included in other income on the consolidated statement of activities and changes in net assets.

Beneficial Interest in Trust - The Organization was named as the beneficiary of an irrevocable charitable remainder unitrust. Under the trust agreement, the trust donor receives annual distributions from the trust during their lifetime, after which the remaining trust assets will be distributed to the Organization. The Organization has recorded its beneficial interest in the trust as an asset equal to the present value of the expected funds to be received using a discount rate of 2.8% and 3.4% for the years ended June 30, 2019 and 2018, respectively. The change in value of beneficial interest in trust totaled $1,083 and ($127) for the years ended June 30, 2019 and 2018, respectively, and is included in other income on the consolidated statement of activities and changes in net assets.

Beneficial Interest in Charitable Lead Annuity Trust - During the year ended June 30, 2015, the Organization received a beneficial interest in a charitable lead annuity trust. The Organization's endowment fund will receive annual distributions from the trust; the first distribution of $21,667 was received on December 19, 2014, followed by annual payments of $65,000 and a final payment of $43,333 due on December 19, 2032. The Organization's beneficial interest in this charitable lead annuity trust is recorded at the net present value (discounted at 4.0%) of the future distributions on the consolidated statement of financial position and is included as a component of net assets with donor restrictions.

Note 7 - Line of Credit

On December 19, 2015, the Organization entered into an agreement with Morgan Stanley Smith Barney (MSSB) to open a line of credit using investments held with MSSB as collateral. In accordance with the agreement, the Organization may borrow up to $3,990,000. Interest is to be charged at a variable rate of LIBOR plus 2.75%. Payments on any outstanding draws on the line are made upon demand of MSSB. There was no outstanding balance at June 30, 2019 or 2018.

Note 8 - Lease Agreements

The Organization has entered into a number of lease and sublease agreements as both lessee and lessor for real property and facilities. The Organization also has an agreement in place as for excess transmission capacity.

Lessee Agreements:

Building and Studio Facility Land - On December 12, 1984, the Organization entered into a long-term lease agreement with the City of Seattle (the City) for a site to locate the KCTS building and studio facility. The lease agreement is for a term of 40 years and called for an initial annual base lease payment of $130,000. At the end of the lease, the City may negotiate with the Organization amongst the following options: to renew the lease; to sell the land to the Organization at the land's appraised value; to repurpose the building and purchase it from the Organization at the building's appraised value; or to take the building out of service in which case the building will be deemed to have no value. The terms of the lease require the Organization to operate a television facility. An escalation clause calls for the annual base payment to be adjusted once every five years, beginning in 1992, to reflect the total percentage change in the Consumer Price Index (CPI). Each five-year adjustment may not exceed 27.63%.

Other Leases - The Organization subleases space for the operation of television receiver and transmitting equipment with a term expiring in 2021 and annual rent of $3,000. The Organization also leases office equipment under leases with terms expiring through 2021 and total monthly lease payments ranging from $265 to $1,048.

Future minimum lease payments under noncancelable operating leases are as follows:

For the Year Ending June 30,	
2020	$ 343,708
2021	335,977
2022	316,351
2023	313,616
2024	313,616
Thereafter	156,808
Total Minimum Lease Payments	**$ 1,780,076**

Rent expense for operating leases totaled $427,472 and $433,375 for the years ended June 30, 2019 and 2018, respectively.

Note 8 - Continued

Lessor Agreements:

Excess Capacity Lease - The Organization has an excess capacity lease agreement between the Organization and Clearwire Spectrum Holdings III, (Clearwire) for use of excess capacity for a period with renewable terms of up to 30 years from the lease execution date of April 11, 2001. Under the terms of the agreement, Clearwire made certain incentive payments. The total of all incentive payments has been deferred as income and will be recognized as revenue over the maximum 30-year lease term on the consolidated statement of activities and changes in net assets. In addition, Clearwire agreed to pay monthly fees ranging from $160,000 to $377,050 throughout the lease term, subject to amendment based on actual capacity usage and changes in geographic service areas.

Tower Leases - The Organization entered into a tower lease agreement with King County, a municipal corporation and political subdivision of the State of Washington, on December 1, 2005. Under the terms of the lease, the Organization rents space on its transmission tower to King County for installation of communications equipment for the King County Metro Transit system. The lease runs from September 1, 2007 through September 1, 2012, with three automatic five-year extensions, at a rate of $1,600 per month, with annual rate adjustments at the lesser of 4% or the increase in the CPI. The first renewal period of the lease was entered into beginning September 1, 2012. The second renewal period began September 1, 2017 with initial installment payments of $3,104, and annual rate adjustments.

On February 25, 2010, the Organization entered into a second tower lease agreement with King County to rent additional space on its transmission tower to operate communication facilities in the Seattle area. The lease runs from January 1, 2010 through December 31, 2014, with three automatic five-year extensions, at a rate of $885 per month, with annual rate adjustments at the lesser of 4% or the increase in the CPI. The first renewal period of the lease was entered into beginning January 1, 2015.

On September 29, 2016, the Organization entered into a lease agreement to lease to Friends of KEXP the Organization's additional space on its transmission tower for KEXP to operate communication facilities in the Seattle area. The lease was retroactive to April 1, 2016 to include the free rent period and expires on March 31, 2021. Monthly payments are $4,265 with a 3% annual increase.

On May 2, 2018, the Organization entered into a lease agreement with King County, a municipal corporation and political subdivision of the State of Washington, leasing tower space for the establishment of the Puget Sound Emergency Radio Network. The lease runs from August 1, 2018 through July 31, 2043, with three automatic five-year extensions, at a rate of $16,600 per month. Monthly rent will increase by 1.5% on each anniversary of the commencement date. Rent will be reduced by $2,000 per month for the first sixteen years of the lease as consideration for the cost of improvements the lessee intends to perform.

On August 22, 2019, the Organization entered into a lease agreement with the City of Seattle, a municipal corporation and political subdivision of the State of Washington, leasing building and tower space for the Seattle radio communications system and wireless network. The lease runs from September 4, 2019 through September 3, 2034, with three five-year extensions, at a rate of $12,050 per month. Monthly rent will increase by 3% on January 1, 2021 and January 1 of each year thereafter of the agreement. Rent is due beginning October 1, 2018, but payable after execution of the lease and is $6,025 per month for the first 15 months of the lease.

Office Space - On January 20, 2017, the Organization entered into a lease agreement with an unrelated third party to rent private office space at the Organization's 401 Mercer Street building. The lease was for a twenty-month period beginning on January 1, 2017 and ending on August 31, 2018. During the year ended June 30, 2018, the lease term was extended two weeks. Monthly payments were $3,053 beginning with the date of actual occupancy and use of the premises by the tenant.

Note 8 - Continued

On September 10, 2018, the Organization entered into a lease agreement renting office space within the Organization's 401 Mercer Street building to the City of Seattle. The lease runs from September 17, 2018 through December 31, 2024 with initial base rent of $3,125 per month, adjusted January 1, 2020 and each January 1 thereafter by the lesser of 3% or the positive percentage change in the Consumer Price Index (CPI).

Estimated future lease payments to be received under noncancelable operating leases are as follows:

For the Year Ending June 30,	
2020	$ 2,957,421
2021	3,079,555
2022	3,170,259
2023	3,263,678
2024	3,359,870
Thereafter	70,366,503
Total Future Lease Revenue	**$ 86,197,286**

Note 9 - Benefit Plans

The Organization has a defined contribution 401(k) plan covering substantially all permanent employees of Cascade Public Media and Piranha Partners Inc. Under the 401(k) plan, the Organization makes matching contributions in an amount equal to 25% of deferrals up to the first 6% of employees' eligible compensation contributed to the Plan. Participants are 100% vested in elective contributions and matching contributions. In addition, the Organization may make discretionary nonelective contributions. Discretionary nonelective contributions for the years ended June 30, 2019 and 2018, were 5% of the participant's gross annual wages, plus 5% of the participant's gross annual wages in excess of the year's Social Security wage base. Participants become fully vested in the nonelective contributions to the plan after six years of service with the Organization. The Organization made employer contributions to the 401(k) plan totaling approximately $345,000 and $297,000 for the years ended June 30, 2019 and 2018, respectively.

Note 10 - Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at June 30:

	2019	2018
KCTS - General Fund	$ 13,054,436	$ 12,708,463
KCTS - Board-Designated Quasi Endowment Fund	14,094,149	11,626,483
KCTS - Board-Designated Capital Fund	278,065	278,065
Piranha Partners, Inc.	(1,846,962)	(1,776,160)
Total Net Assets Without Donor Restrictions	**$ 25,579,688**	**$ 22,836,851**

Note 10 - Continued

KCTS Board-Designated Quasi Endowment Fund - The Board-Designated Quasi Endowment Fund was established during the year ended June 30, 2010. The fund consists of bequests without donor restrictions, other funds designated by the Board, and their respective earnings designated for the benefit of the Organization.

KCTS Board-Designated Capital Fund - The Board-Designated Capital Fund was established during the year ended June 30, 2011. The fund consists of funds without donor restrictions designated by the Board for purchase of approved capital assets.

Piranha Productions - The Piranha Partners Inc. amount relates to accumulated net losses from operations of the Corporation. In November 2018, the Corporation acquired Piranha Partners LLC and changed the name of the Corporation to Piranha Partners Inc.

Note 11 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	2019	2018
Subject to the passage of time or expenditure for specified purpose-		
Program services	$ 1,337,981	$ 1,386,948
Capital		316,051
Life income	29,718	30,801
Accumulated endowment earnings	1,847,372	676,019
Total subject to the passage of time or expenditure for specified purpose	3,215,071	2,409,819
Beneficial interest in trust	701,054	739,091
Perpetual Endowment Funds		
General	368,874	259,836
Harold Brindle	194,438	
Russell Myes Rowe	50,000	50,000
Dorothy Stevens	33,014	33,014
NW Endowment Fund	610,000	610,000
Robertson Fund	325,893	325,893
Floyd Jones Fund	10,000,000	
Total perpetual endowment funds	11,582,219	1,278,743
Total Net Assets With Donor Restrictions	**$ 15,498,344**	**$ 4,427,653**

Program Services - These funds represent amounts received by the Organization with specific programming restrictions.

Note 11 - Continued

Capital - These funds are restricted by donors to be used for the purchase of equipment.

Life Income - The Life Income represents funds obtained by the Organization subject to obligations for periodic payments of stipulated amounts to the donors or beneficiaries.

Accumulated Endowment Earnings - The Accumulated Endowment Earnings represent accumulated unspent earnings on perpetual endowments net assets.

Note 12 - Endowments

The Organization's endowments consist of funds established through gifts, legacies, and bequests that were accepted with donor restrictions to have funds permanently invested, and funds designated by the Board to operate as an endowment for the benefit of the Organization (quasi-endowment). Earnings from endowment net assets are to be used for funding educational programming and general operations of the Organization. Earnings on the quasi-endowment are to be used to support the Organization. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Board has interpreted the Washington State Prudent Management of Institutional Funds Act (PMIFA) as making it advisable for the Organization to track fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as endowment net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment is also classified within net assets with donor restrictions, subject to the passage of time or expenditure for specified purpose, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by PMIFA. In accordance with PMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

Note 12 - Continued

Endowment net assets consist of the following at June 30:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions		
		Accumulated Earnings	Endowment Corpus	Total
Quasi-endowment	$ 14,094,149	$ -	$ -	$ 14,094,149
Donor restricted endowment		1,847,372	11,582,219	13,429,591
Endowment Net Assets, June 30, 2019	**$ 14,094,149**	**$ 1,847,372**	**$ 11,582,219**	**$ 27,523,740**
Endowment Net Assets, June 30, 2018	**$ 11,626,483**	**$ 676,019**	**$ 1,278,743**	**$ 13,581,245**

Changes to endowment net assets are as follows for the years ended June 30:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			
		Accumulated Earnings	Endowment Corpus	2019 Total	2018 Total
Endowment net assets, beginning of year	$ 11,626,483	$ 676,019	$ 1,278,743	$ 13,581,245	$ 11,007,658
Endowment investment return-					
Interest and dividends	268,048	142,183		410,231	395,361
Realized and unrealized gain	355,686	1,083,238		1,438,924	417,380
Total endowment investment return	623,734	1,225,421		1,849,155	812,741
Donor endowment contributions and collections on beneficial interest in trust			10,109,038	10,109,038	65,062
Funds designated for quasi-endowment	2,038,370			2,038,370	1,726,030
Appropriation of endowment for expenditure		(54,068)		(54,068)	(30,246)
Transfer of funds to endowment	(194,438)		194,438		
Endowment Net Assets, End of Year	**$ 14,094,149**	**$ 1,847,372**	**$ 11,582,219**	**$ 27,523,740**	**$ 13,581,245**

Note 12 - Continued

Funds With Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or PMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with restrictions. At June 30, 2019 and 2018, there were no deficiencies.

Return Objectives and Risk Parameters - The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in approximately 60% stocks and 40% fixed income investments, including cash.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The spending policy, expressed as a percentage of market value of the endowment, is determined on a year to year basis by the Board upon recommendation of the Finance and Audit Committee. In recommending a spending policy for a given fiscal year, the Finance and Audit Committee shall take in to consideration total return which allows both realized and unrealized income to be withdrawn. The Finance and Audit Committee will review the spending policy periodically in light of actual returns to make spending adjustments necessary to preserve the purchasing power of the endowment. Distributions will be made on an annual basis as a percentage of the average market value of the portfolio over the immediately preceding twelve quarters. The percentage used will be determined by the Finance and Audit Committee based on a “prudent person” standard, which will be approved by the Board. There will be no distribution made from endowments in place less than one year and in no event will an endowment be reduced below 80% of the corpus.

Note 13 - Pacific Coast Public Television Association

Pacific Coast Public Television Association (Pacific Coast) was a Canadian tax-exempt, nonprofit organization that, by contract, provided financial support to the Organization’s educational programming. On September 19, 2017, the members and Board of Directors of Pacific Coast passed a resolution to prepare and file the Articles of Dissolution with Corporations Canada. The dissolution was effective October 29, 2018. Donations from Canadian donors are now received directly by Cascade Public Media.

Note 14 - Joint Venture

In 1998, KCTS became a noncontrolling member in a limited liability company, Public Television Major Market Group, LLC (the LLC). The limited liability company was formed to take a leadership position within and outside public television in developing positions and taking actions to affect the outcome of major public television issues. The LLC was also formed to provide a forum for evaluating proposals for collaborative and other ventures with third parties for revenue generating and other opportunities for the use of digital technology. There were no contributions for the years ended June 30, 2019 and 2018. Investment in the LLC is combined with other long-term assets on the consolidated statement of financial position.

Note 15 - Contingencies

The Organization is involved, from time to time, in various claims, regulatory audits and other legal issues arising in the normal course of business. Management believes that any uninsured costs that may be incurred in the settlement of such claims would not be material to the Organization’s consolidated financial position.

SUPPLEMENTARY INFORMATION

CASCADE PUBLIC MEDIA AND SUBSIDIARIES

Consolidating Statement of Financial Position
For the Year Ended June 30, 2019

	CPM Organization Holding Certificate of Exemption	Piranha Partners Inc.	Consolidated Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 4,209,728	$ 2,345	$ 4,212,073
Investments held for short-term purposes	6,662,912		6,662,912
Accounts, grants and contributions receivable, net	1,232,259	51,925	1,284,184
Inventories and other current assets	511,694	2,895	514,589
Due from (to Elimination Account)	1,921,489	(1,921,489)	
Total Current Assets	**14,538,082**	**(1,864,324)**	**12,673,758**
Investments held for long-term purposes	28,903,599		28,903,599
Beneficial interest in trusts	730,772		730,772
Land, property and equipment, net	3,691,667	44,288	3,735,955
Other assets	86,334		86,334
Total Assets	**$ 47,950,454**	**$ (1,820,036)**	**$ 46,130,418**
Liabilities and Net Assets			
Current Liabilities:			
Accounts payable and accrued expenses	$ 1,811,166	$ 26,926	$ 1,838,092
Deferred revenue	881,667		881,667
Total Current Liabilities	**2,692,833**	**26,926**	**2,719,759**
Gift annuities payable	486,900		486,900
Long-term portion of accrued expenses	185,191		185,191
Long-term portion of deferred revenue	1,660,536		1,660,536
Total Liabilities	**5,025,460**	**26,926**	**5,052,386**
Net Assets:			
Without donor restrictions	27,426,650	(1,846,962)	25,579,688
With donor restrictions	15,498,344		15,498,344
Total Net Assets	**42,924,994**	**(1,846,962)**	**41,078,032**
Total Liabilities and Net Assets	**$ 47,950,454**	**$ (1,820,036)**	**$ 46,130,418**

See independent auditor’s report.