

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary**

**Financial Statements with
Independent Auditors' Report
Years Ended June 30, 2022 and 2021**

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
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June 30, 2022 and 2021**

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Independent Auditors' Report

To the Board of Trustees
St. Lawrence Valley Educational Television
Council, Inc. and Subsidiary
Watertown, NY

Opinion

We have audited the accompanying consolidated financial statements of St. Lawrence Valley Educational Television Council, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Lawrence Valley Educational Television Council, Inc. and Subsidiary as of June 30, 2022 and 2021, and the changes in their net assets and their 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 audits 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 St. Lawrence Valley Educational Television Council, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated 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 St. Lawrence Valley Educational Television Council, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

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of expressing an opinion on the effectiveness of St. Lawrence Valley Educational Television Council, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Lawrence Valley Educational Television Council, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Details of Revenue and Support 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.

Stackel & Navarra, CPA, PC

Watertown, New York
September 26, 2022

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Consolidated Statements of Financial Position
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 714,197	\$ 1,055,519
Certificates of deposit	300,572	-
Accounts receivable	27,027	34,434
Prepaid expense	26,405	31,540
Broadcasting contract rights	<u>37,760</u>	<u>38,249</u>
Total Current Assets	<u>1,105,961</u>	<u>1,159,742</u>
Fixed Assets - Net of Accumulated Depreciation	<u>859,201</u>	<u>978,965</u>
Other Assets		
Investment in Centralcast, LLC	544,422	496,490
Computer software, net of accumulated amortization	10,829	12,306
Broadcasting contract rights, net of current portion	21,015	6,110
Beneficial interest with Northern New York Community Foundation	<u>328,063</u>	<u>373,101</u>
Total Other Assets	<u>904,329</u>	<u>888,007</u>
Total Assets	<u><u>\$ 2,869,491</u></u>	<u><u>\$ 3,026,714</u></u>

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

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Consolidated Statements of Financial Position
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 23,329	\$ 41,810
Accrued taxes and expense	28,430	22,838
Current portion of long term debt	<u>3,993</u>	<u>33,397</u>
Total Current Liabilities	<u>55,752</u>	<u>98,045</u>
Long Term Liabilities		
Long term debt net of current portion	<u>299,081</u>	<u>362,708</u>
Net Assets		
Without Donor Restrictions:		
Undesignated	2,159,095	2,192,860
Board Designated	<u>328,063</u>	<u>373,101</u>
Total Net Assets Without Donor Restrictions	2,487,158	2,565,961
Net Assets With Donor Restrictions	<u>27,500</u>	<u>-</u>
Total Net Assets	<u>2,514,658</u>	<u>2,565,961</u>
Total Liabilities and Net Assets	<u>\$ 2,869,491</u>	<u>\$ 3,026,714</u>

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

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Consolidated Statements of Activities
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Changes in Net Assets Without Donor Restrictions		
Revenue and Support		
Grants	\$ 1,727,277	\$ 2,165,668
Contributions	689,315	786,582
Gross profit from Quality Production sales	-	11,116
Investment income (loss) and interest income	3,728	121,656
Other	465,614	769,519
Total Unrestricted Revenue and Support	<u>2,885,934</u>	<u>3,854,541</u>
Expenses		
Development and program	1,284,698	1,252,566
Administration	573,553	537,523
Engineering and technology	492,106	499,376
Production	399,412	357,876
Sales	207,349	174,540
Quality Production, Inc.	1,375	5,469
Total Expenses	<u>2,958,493</u>	<u>2,827,350</u>
Increase in Net Assets Without Donor Restrictions		
Before Income Taxes	(72,559)	1,027,191
Income Taxes	<u>(6,244)</u>	<u>(5,832)</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	(78,803)	1,021,359
Net Assets Without Donor Restrictions at Beginning of Year	<u>2,565,961</u>	<u>1,544,602</u>
Net Assets Without Donor Restrictions at End of Year	<u>\$ 2,487,158</u>	<u>\$ 2,565,961</u>
Changes in Net Assets With Donor Restrictions		
Contributions	\$ 27,500	\$ -
Net Assets With Donor Restrictions	<u>\$ 27,500</u>	<u>\$ -</u>
Total Net Assets at End of Year	<u>\$ 2,514,658</u>	<u>\$ 2,565,961</u>

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

St. Lawrence Valley Educational Television Council, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Program Activities			Supporting Activities			2022 Total	2021 Total
	Production	Engineering and Technology	Development and Program	Quality Production	Sales	Administration		
Salaries and wages	\$ 260,891	\$ 73,262	\$ 335,432	\$ -	\$ 142,017	\$ 194,361	\$ 1,005,963	\$ 963,059
Payroll taxes	19,154	4,955	24,286	-	8,112	23,503	80,010	78,771
Employee benefits	53,467	16,846	71,317	-	19,080	65,530	226,240	233,163
Broadcast rights	-	-	343,907	-	-	-	343,907	351,176
Dues and subscriptions	518	-	113,637	150	687	45,732	160,724	159,173
Utilities and telephone	13,718	32,983	14,150	24	13,718	38,800	113,393	104,967
Postage and shipping	63	42	116,579	-	545	6,126	123,355	100,231
Central casting	-	111,295	-	-	-	-	111,295	111,295
Maintenance and repairs	1,155	77,622	524	-	-	5,132	84,433	70,331
Insurance	-	-	-	-	-	71,048	71,048	80,263
Premiums	-	-	33,435	-	-	-	33,435	47,243
Production expense	29,211	35	8,078	-	4,582	-	41,906	31,357
Bank service charges	-	-	1,211	50	59	-	26,623	25,718
Printing	-	-	29,226	-	-	1,362	30,588	26,467
Computer expense	9,660	7,708	16,549	-	3,995	1,683	39,595	22,676
Business services	-	20,467	72,672	-	4,499	13,775	111,413	110,241
Miscellaneous	596	600	4,009	75	3,077	18,268	26,625	12,289
Professional fees	-	290	-	750	-	28,922	29,962	24,940
Interest	-	-	3	-	-	9,249	9,252	23,549
Vehicle expense	1,142	3,436	515	-	634	378	6,105	7,962
Office expense	144	37	825	26	14	1,332	2,378	2,348
Station relations	50	811	8	-	-	7,644	8,513	10,630
Advertising	432	1,537	66,108	-	-	2,629	70,706	20,934
Professional development	547	-	241	-	2,310	389	3,487	388
Auction expense	-	-	4,001	-	-	-	4,001	2,393
Special events	-	-	8,622	-	-	3	8,625	4,189
Consulting	-	350	-	-	-	4,475	4,825	19,707
Station products	7,417	-	2,039	-	-	-	9,456	8,479
Web expense	-	-	-	300	-	1,030	1,330	1,295
Travel and conferences	-	-	2,072	-	20	6,447	8,539	1,550
Educational services	506	101	11,054	-	-	432	12,093	616
Program outreach	-	-	-	-	-	-	-	1,750
Bad debt	-	-	-	-	-	-	-	5,532
Endowment	-	-	773	-	-	-	773	3,030
Syndication	741	-	3,425	-	4,000	-	8,166	-
Depreciation and amortization	-	139,729	-	-	-	-	139,729	159,218
	\$ 399,412	\$ 492,106	\$ 1,284,698	\$ 1,375	\$ 207,349	\$ 573,553	\$ 2,958,493	\$ 2,826,930

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

St. Lawrence Valley Educational Television Council, Inc. and Subsidiary
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Activities			Supporting Activities			2021 Total
	Production	Engineering and Technology	Development and Program	Quality Production	Sales	Administration	
Salaries and wages	\$ 232,935	\$ 79,606	\$ 356,025	\$ -	\$ 121,880	\$ 172,613	\$ 963,059
Payroll taxes	24,826	4,756	19,057	-	8,146	21,986	78,771
Employee benefits	45,399	18,576	84,895	-	19,449	64,844	233,163
Broadcast rights	-	-	351,176	-	-	-	351,176
Dues and subscriptions	200	-	117,293	297	518	40,865	159,173
Utilities and telephone	12,484	30,791	12,798	547	12,487	35,860	104,967
Postage and shipping	75	68	89,613	-	209	10,266	100,231
Central casting	-	111,295	-	-	-	-	111,295
Maintenance and repairs	1,156	66,455	120	-	-	2,600	70,331
Insurance	-	-	-	-	-	80,263	80,263
Premiums	-	-	47,243	-	-	-	47,243
Production expense	25,717	-	3,236	33	2,350	21	31,357
Bank service charges	-	40	654	100	-	24,924	25,718
Printing	-	-	25,802	-	665	-	26,467
Computer expense	2,255	3,815	14,875	-	86	1,645	22,676
Bad debt	-	-	-	1,082	4,450	-	5,532
Business services	1,985	9,168	87,289	-	600	11,199	110,241
Miscellaneous	1,374	-	7,399	287	3,314	335	12,709
Professional fees	-	28	-	1,200	-	23,712	24,940
Interest	-	-	-	-	-	23,549	23,549
Vehicle expense	1,223	4,063	303	-	208	2,165	7,962
Office expense	84	-	659	-	7	1,598	2,348
Station relations	2,117	838	329	-	85	7,261	10,630
Advertising	-	14	18,779	1,023	86	1,032	20,934
Professional development	-	-	30	-	-	358	388
Auction expense	-	40	2,353	-	-	-	2,393
Special events	334	-	3,855	-	-	-	4,189
Consulting	-	10,707	-	-	-	9,000	19,707
Station products	5,712	-	2,760	-	-	7	8,479
Web expense	-	-	395	900	-	-	1,295
Travel and conferences	-	10	232	-	-	1,308	1,550
Educational services	-	-	616	-	-	-	616
Program outreach	-	-	1,750	-	-	-	1,750
Endowment	-	-	3,030	-	-	-	3,030
Depreciation and amortization	-	159,106	-	-	-	112	159,218
	\$ 357,876	\$ 499,376	\$ 1,252,566	\$ 5,469	\$ 174,540	\$ 537,523	\$ 2,827,350

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

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Operating Activities		
Increase (decrease) in net assets	\$ (51,303)	\$ 1,021,359
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Payroll Protection Program loan forgiveness	-	(243,902)
Accrued interest expense added to SBA loan balance	5,040	6,735
Depreciation	138,253	157,741
Amortization	1,477	1,477
Unrealized (gain) loss in investment	(47,932)	(48,408)
Unrealized (gain) loss in beneficial interest	45,038	(73,095)
Accrued interest income	(572)	-
Change in current operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	7,407	3,030
Prepaid expense	5,135	(10,090)
Broadcasting contract rights	(14,416)	(4,608)
(Decrease) increase in:		
Accounts payable	(18,481)	27,844
Accrued taxes and expense	5,592	(9,693)
Net cash provided by operating activities	<u>75,238</u>	<u>828,390</u>
Investing Activities		
Deposit in Northern New York Community Foundation Fund	-	(15,739)
Investment in certificates of deposit	(300,000)	-
Purchase of fixed assets	(18,489)	(118,407)
Net cash used by investing activities	<u>(318,489)</u>	<u>(134,146)</u>
Financing Activities		
Borrowings - long term	141,300	-
Debt reduction - long term	(239,371)	(27,929)
Net cash provided (used) by financing activities	<u>(98,071)</u>	<u>(27,929)</u>

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

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Net increase (decrease) in cash and cash equivalents	(341,322)	666,315
Cash and cash equivalents at beginning of year	<u>1,055,519</u>	<u>389,204</u>
Cash and cash equivalents at end of year	<u>\$ 714,197</u>	<u>\$ 1,055,519</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Income taxes	<u>\$ 5,794</u>	<u>\$ 17,029</u>
Interest	<u>\$ 4,212</u>	<u>\$ 16,814</u>

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

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

1 – Summary of Significant Accounting Policies

Business Description

St. Lawrence Valley Educational Television Council, Inc. (the Council) was incorporated June 27, 1958. It operates a public television station which broadcasts into Northern New York and Southeastern Ontario. The Corporate office is located in Watertown, New York.

Principles and Consolidation

The consolidated financial statements include the accounts of St. Lawrence Valley Educational Television Council, Inc. and its wholly owned subsidiary Quality Production, Inc. All material intercompany transactions have been eliminated.

Quality Production, Inc. is a private for-profit corporation that is engaged in producing audio and videotapes for the general public. Quality Production, Inc. is incorporated in the State of New York and is subject to state and federal income taxes. It ceased operations on June 30, 2021. On June 30, 2022, the Corporation was dissolved and all assets and liabilities were distributed to the Council.

	<u>2022</u>	<u>2021</u>
Assets	\$ <u> -</u>	\$ <u> 9,128 </u>
Liabilities	\$ <u> -</u>	\$ <u> 158 </u>
Revenue	\$ <u> -</u>	\$ <u> 11,117 </u>
Expenses	\$ <u> 1,400 </u>	\$ <u> 20,152 </u>

St. Lawrence Valley Educational Television Council, Inc. charged Quality Production, Inc. \$16,876 for reimbursement of operating costs incurred during the year ended June 2021.

Advertising

Advertising costs are expensed as they are incurred. These costs amounted to \$70,706 for 2022 and \$20,934 for 2021.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. The Council maintains its accounts in accordance with U.S. generally accepted accounting principles.

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profits Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Council and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Council. The Council board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For financial statement purposes, the Council considers all highly liquid investments with an original maturity of three months or less as cash equivalents.

Accounts Receivable

The Council does not maintain an allowance for doubtful accounts. Any accounts receivable deemed uncollectible are written off during the period they become uncollectible. Management believes there are no material uncollectible accounts receivable.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

Concentration of Credit Risk

Financial instruments that potentially subject the Council to concentrations of credit risk consist principally of cash and accounts receivable. The Council maintains cash balances at one financial institution which exceeded the FDIC insured limit by approximately \$370,000 at June 30, 2022.

In addition, the Council grants credit to customers. The risk of loss on the accounts receivable is the balance owed at the time of default.

Sources of Revenue

The Council is supported primarily through membership revenue, donor contributions, grants, underwriting revenues, and auction revenue.

Concentration of Revenue

The Council receives approximately 31% of its revenue from the Corporation for Public Broadcasting and 23% from New York State. A decrease or loss in funding from these sources could have a severe impact on the Council.

In-Kind Contributions

In-kind contributions are recorded as revenue and expenses in the accompanying financial statements. In-kind contributions consist of donated professional services and merchandise and are recorded at fair value. In-kind contributions for the year ended June 30, 2022 and 2021 totaled \$36,520 and \$12,550, respectively.

Revenue Recognition

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend on are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Reclassifications

Certain amounts in the financial statements for 2021 have been restated to provide an improved comparison to 2022.

Property and Equipment

Property and equipment are recorded at cost. The Council follows the practice of capitalizing expenditures for building, furniture and fixtures, equipment and vehicles in excess of \$1,000. For financial reporting and income tax purposes, the costs of property and equipment are depreciated over the estimated useful lives as follows:

<u>Category</u>	<u>Method</u>	<u>Estimated Life Years</u>
Furniture & fixtures	Straight line	10
Buildings	Straight line	10 to 45
Building improvements	Straight line	10 to 25
Studio equipment	Straight line	3 to 10
Office machines	Straight line	5
Satellite	Straight line	10
Transmitter equipment	Straight line	5 to 12
Vehicles	Straight line	5
Land improvements	Straight line	10

Repairs and maintenance are charged to expense when incurred. Expenditures, which substantially increase the useful lives of the respective assets, are capitalized and depreciated over their useful lives. When an asset is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

2 – Fixed Assets

The major categories of fixed assets as of June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 21,167	\$ 21,167
Land improvements	44,031	44,031
Furniture and fixtures	85,999	67,510
Buildings and improvements	1,301,770	1,301,770
Studio and technical equipment	3,563,047	3,563,047
Office machines	44,567	44,567
Transmitters, antennas and towers	4,576,895	4,576,895
Vehicles	93,018	93,018
Satellite	74,450	74,450
	<u>9,804,944</u>	<u>9,786,455</u>
Less accumulated depreciation	8,945,743	8,807,490
	<u>\$ 859,201</u>	<u>\$ 978,965</u>

3 – Long-term Investments

During 2012 the Council made capital contributions of \$44,467 to Centralcast, LLC, a New York limited liability company. Centralcast, LLC was formed to provide joint master control services to eight New York public television stations. A grant from New York State provided \$18,994 for the initial investment and \$23,473 was paid from unrestricted assets. An additional investment of \$22,635 was paid from unrestricted assets during 2013. The Council's investment is recorded using the equity method. The share of total income for 2022 and 2021 was 10%. For the years ended June 30, 2022 and 2021, the Council's share of Centralcast, LLC's gain was \$47,932 and \$50,565, respectively.

4 – Beneficial Interest with Northern New York Community Foundation Fund

The Council has placed its Board-designated endowment with Northern New York Community Foundation (the Foundation) and has granted variance power to the Foundation. The Board of Trustees of the Foundation has the power to modify any restriction or condition on the distribution of funds for any special charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community it serves. As the beneficiary, the Council will receive distributions of income from the funds, subject to the

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

Foundation's spending policy. The Foundation holds funds for the benefit of the Council with fair values totaling \$328,063 and \$373,101 at June 30, 2022 and 2021, respectively.

5 – Computer Software

Computer software costs include packaged software related to the Council's fundraising efforts. These costs are being amortized using the straight-line method over a life of 15 years.

	<u>2022</u>	<u>2021</u>
Original cost	\$ 47,023	\$ 47,023
Accumulated amortization	<u>(36,194)</u>	<u>(34,717)</u>
	<u>\$ 10,829</u>	<u>\$ 12,306</u>

6 – Income Tax Status

St. Lawrence Valley Educational Television Council, Inc. is a nonprofit Organization and is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from leasing of space on its towers is not directly related to the Council's exempt purpose and subject to taxation as unrelated business income.

The income tax attributable to the leases was \$6,219 and \$5,807 for the years ended June 30, 2022 and 2021, respectively.

7 – Lines of Credit

St. Lawrence Valley Educational Television Council, Inc. has a line of credit with Key Bank, N.A., in the amount of \$500,000 with an interest rate of prime plus 1%. The amounts payable to Key Bank, N.A. at June 30, 2022 and 2021 were \$0 and \$0, respectively.

**St. Lawrence Valley Educational
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8 – Long Term Debt

	<u>2022</u>	<u>2021</u>
Key Bank, N.A.		
Mortgage payable, secured by real estate listed under fixed assets, monthly payments of \$3,683.03 include interest at 6.3%. Maturity date is December 2028.	\$ -	\$ 239,371
Small Business Administration		
Note payable, secured by all station assets. Monthly payments of \$1,293 begin October 2022. Interest is computed at 2.75%. Maturity date is September 2052.	<u>303,074</u>	<u>156,734</u>
	303,074	396,105
Less current portion	<u>3,993</u>	<u>33,397</u>
	<u>\$ 299,081</u>	<u>\$ 362,708</u>

Maturities of long-term debt after June 30, 2022 are as follows:

Year ended June 30	
2023	\$ 3,993
2024	7,384
2025	7,590
2026	7,801
2027	8,018
After 2027	<u>268,288</u>
	<u>\$ 303,074</u>

Interest expense incurred was \$9,252 and \$23,459 for the years ended June 30, 2022 and 2021, respectively.

9 – Retirement Plan

The Council participates in contributory retirement plans administered by the Teachers Insurance Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF). All employees meeting specific age and length of service requirements are covered by the plans. Total pension expense charged to operations relating to these plans for the year ended June 30, 2022 and 2021 was \$33,748 and \$31,670, respectively. St. Lawrence Valley Educational Television Council, Inc. contributes 5% of the employee's gross wages provided the employee contributes 3% of their wages.

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10 – Leases

The Council leases tower space to third parties on an annual basis. The towers are included in fixed assets. The primary function of these towers is for the broadcasting of the television station operated by the Council. The third-party rental income is considered unrelated to the Council's primary exempt purpose and is subjected to unrelated business tax. Total rental income from these operating leases for the years ended June 30, 2022 and 2021 was \$184,176 and \$174,868, respectively.

Minimum future rent payments to be received follows:

2023	\$ 123,711
2024	96,875
2025	67,215
2026	43,690
2027	24,437
Thereafter	111,143

11 – Related Party Transactions

The Council has a 10% equity share in Centralcast, LLC. The Council paid Centralcast LLC fees of \$111,295 and \$111,295 for the years ended June 30, 2022 and 2021, respectively.

12 – Foreign Exchange

At the end of the year, monies held in Canadian banks were translated to United States dollars. The gain/loss from translation for the fiscal year ended June 30, 2022 and 2021 is included in revenue and expenditure.

13 – Liquidity and Availability

The Council's financial assets available within one year of the balance sheet date for general expenses are as follows:

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	<u>2022</u>
Cash and cash equivalents	\$ 714,197
Certificates of deposit	300,572
Accounts receivable	<u>27,027</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,041,796</u>

In addition to these financial assets available for general expenditures, a significant portion of the Council's annual expenditures will be funded by contributions, government grants, tower leases and other revenue and support. Although the Council does not intend to use funds outside of their designation, board designated funds of \$328,063 could be made available if necessary.

14 – Subsequent Events

Management has evaluated subsequent events through September 26, 2022, the date on which the financial statements were available to be issued.

15 – Changes in Accounting Principle

Management adopted Accounting Standards Update (Topic 842), *Leases* during 2022, and retroactive to 2021. This resulted in no change to the 2021 financial statements.

Supplementary Information

**St. Lawrence Valley Educational
Television Council, Inc. and Subsidiary
Details of Revenue and Support
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Support		
Contributions		
Memberships	\$ 501,334	\$ 526,754
Television auctions	68,426	128,668
Donations	<u>147,055</u>	<u>131,160</u>
	<u>716,815</u>	<u>786,582</u>
Grants		
Corporation for Public Broadcasting (CPB)	894,127	1,367,944
New York State Education Department	661,267	660,089
Federal Communications Commission	7,263	81,307
Program Outreach Grants	7,000	2,500
Foundation Grants	<u>157,620</u>	<u>53,828</u>
	<u>1,727,277</u>	<u>2,165,668</u>
Gross Profit From Quality Production Sales	<u>-</u>	<u>11,116</u>
Investment income (loss)	3,068	121,503
Interest Income	<u>660</u>	<u>153</u>
	<u>3,728</u>	<u>121,656</u>
Other Revenue		
Payroll Protection Program loan forgiveness	-	243,902
Underwriting	229,316	232,797
Rental income	184,176	174,868
Commercial production	5,135	-
Miscellaneous	4,783	28,745
Royalty income	2,718	53,069
Advertising	2,500	11,300
Special events	4,719	1,644
Product sales	<u>32,267</u>	<u>23,194</u>
	<u>465,614</u>	<u>769,519</u>
	<u>\$ 2,913,434</u>	<u>\$ 3,854,541</u>

See Independent Auditors' Report.