

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

**Financial Statements with
Independent Auditors' Report
Years Ended June 30, 2023 and 2022**

**St. Lawrence Valley Educational
Television Council, Inc.
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June 30, 2023 and 2022**

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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of St. Lawrence Valley Educational Television Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Lawrence Valley Educational Television Council, Inc. as of June 30, 2023 and 2022, 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 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 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 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.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Lawrence Valley Educational

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Television Council, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Lawrence Valley Educational Television Council, Inc.'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

January 10, 2024

**St. Lawrence Valley Educational
Television Council, Inc.
Statements of Financial Position
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 494,997	\$ 714,197
Certificates of deposit	201,811	300,572
Investments	400,923	-
Accounts receivable	48,467	27,027
Prepaid expense	27,743	26,405
Broadcasting contract rights	<u>54,580</u>	<u>37,760</u>
Total Current Assets	<u>1,228,521</u>	<u>1,105,961</u>
Fixed Assets - Net of Accumulated Depreciation	<u>799,259</u>	<u>859,201</u>
Other Assets		
Investment in Centralcast, LLC	452,899	544,422
Computer software, net of accumulated amortization	10,796	10,829
Broadcasting contract rights, net of current portion	20,332	21,015
Beneficial interest with Northern New York Community Foundation	<u>385,618</u>	<u>328,063</u>
Total Other Assets	<u>869,645</u>	<u>904,329</u>
Total Assets	<u><u>\$ 2,897,425</u></u>	<u><u>\$ 2,869,491</u></u>

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

**St. Lawrence Valley Educational
Television Council, Inc.
Statements of Financial Position
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 68,225	\$ 23,329
Accrued taxes and expense	38,747	40,204
Current portion of long term debt	<u>6,288</u>	<u>-</u>
Total Current Liabilities	<u>113,260</u>	<u>63,533</u>
Long Term Liabilities		
Long term debt net of current portion	<u>285,012</u>	<u>291,300</u>
Net Assets		
Without Donor Restrictions:		
Undesignated	2,076,839	2,159,095
Net Assets With Donor Restrictions	<u>422,314</u>	<u>355,563</u>
Total Net Assets	<u>2,499,153</u>	<u>2,514,658</u>
Total Liabilities and Net Assets	<u><u>\$ 2,897,425</u></u>	<u><u>\$ 2,869,491</u></u>

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

**St. Lawrence Valley Educational
Television Council, Inc.
Statement of Activities
Year Ended June 30, 2023**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Changes in Net Assets			
Revenue and Support			
Grants	\$ 1,978,823	\$ -	\$ 1,978,823
Contributions	798,332	20,474	818,806
Interest income	9,305	-	9,305
Dividend income	2,941	-	2,941
Gain (loss) on investments	(86,768)	-	(86,768)
Other	553,489	-	553,489
Released from restricted funds	11,278	(11,278)	-
Gain (loss) on beneficial interest	-	29,545	29,545
Total Unrestricted Revenue and Support	<u>3,267,400</u>	<u>38,741</u>	<u>3,306,141</u>
Expenses			
Development and program	1,350,990	-	1,350,990
Administration	698,178	-	698,178
Engineering and technology	526,952	-	526,952
Production	510,839	-	510,839
Sales	<u>232,739</u>	<u>-</u>	<u>232,739</u>
Total Expenses	<u>3,319,698</u>	<u>-</u>	<u>3,319,698</u>
Change in Net Assets			
Before Income Taxes	(52,298)	38,741	(13,557)
Income Taxes	<u>(1,948)</u>	<u>-</u>	<u>(1,948)</u>
Change in Net Assets	(54,246)	38,741	(15,505)
Net Assets at Beginning of Year	2,159,095	355,563	2,514,658
Transfer to beneficial interest	<u>(28,010)</u>	<u>28,010</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 2,076,839</u>	<u>\$ 422,314</u>	<u>\$ 2,499,153</u>

**St. Lawrence Valley Educational
Television Council, Inc.
Statement of Activities
Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in Net Assets			
Revenue and Support			
Grants	\$ 1,727,277	\$ -	\$ 1,727,277
Contributions	689,315	27,500	716,815
Interest income	660	-	660
Dividend income	174	-	174
Gain (loss) on investments	47,932	-	47,932
Other	465,614	-	465,614
Gain (loss) on beneficial interest	-	(45,038)	(45,038)
Total Unrestricted Revenue and Support	<u>2,930,972</u>	<u>(17,538)</u>	<u>2,913,434</u>
Expenses			
Development and program	1,284,698	-	1,284,698
Administration	573,553	-	573,553
Engineering and technology	492,106	-	492,106
Production	400,787	-	400,787
Sales	207,349	-	207,349
Total Expenses	<u>2,958,493</u>	<u>-</u>	<u>2,958,493</u>
Change in Net Assets			
Before Income Taxes	(27,521)	(17,538)	(45,059)
Income Taxes	<u>(6,244)</u>	<u>-</u>	<u>(6,244)</u>
Change in Net Assets	(33,765)	(17,538)	(51,303)
Net Assets at Beginning of Year	<u>2,192,860</u>	<u>373,101</u>	<u>2,565,961</u>
Net Assets at End of Year	<u>\$ 2,159,095</u>	<u>\$ 355,563</u>	<u>\$ 2,514,658</u>

St. Lawrence Valley Educational Television Council, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Program Activities			Supporting Activities			2023 Total	2022 Total
	Production	Engineering and Technology	Development and Program	Sales	Administration			
Salaries and wages	\$ 325,025	\$ 79,665	\$ 362,377	\$ 161,925	\$ 212,574	\$	1,141,566	\$ 1,005,963
Payroll taxes	23,651	5,399	26,861	9,732	22,518		88,161	80,010
Employee benefits	65,058	21,576	70,529	22,501	73,789		253,453	226,240
Broadcast rights	-	-	365,990	-	-		365,990	343,907
Dues and subscriptions	513	-	116,422	108	47,414		164,457	160,724
Utilities and telephone	12,480	33,572	12,927	12,480	37,870		109,329	113,393
Postage and shipping	25	138	136,664	828	1,809		139,464	123,355
Central casting	-	61,898	21,573	-	27,824		111,295	111,295
Maintenance and repairs	7,904	142,923	-	1,780	7,768		160,375	84,433
Insurance	-	-	-	-	82,023		82,023	71,048
Premiums	-	-	29,268	-	-		29,268	33,435
Production expense	42,899	-	18,552	79	9,124		70,654	50,072
Bank service charges	-	-	591	32	31,348		31,971	26,623
Printing	-	-	30,588	47	1,955		32,590	30,588
Computer expense	21,260	5,678	18,128	2,164	-		47,230	39,595
Business services	-	37,932	63,361	4,863	17,662		123,818	111,413
Miscellaneous	1,624	1,417	1,792	6,670	9,736		21,239	26,625
Professional fees	-	-	513	-	33,001		33,514	29,962
Interest	-	-	-	-	9,304		9,304	9,252
Vehicle expense	734	4,247	738	2,280	790		8,789	6,105
Office expense	139	-	501	58	1,771		2,469	2,378
Station relations	3,395	949	864	59	11,659		16,926	8,513
Advertising	568	-	39,713	5,652	20,579		66,512	70,706
Professional development	97	-	2,851	-	4,569		7,517	3,487
Auction expense	66	30	1,877	-	68		2,041	4,001
Special events	-	-	5,765	87	64		5,916	8,625
Consulting	-	3,100	-	-	3,375		6,475	4,825
Station products	2,855	-	-	-	-		2,855	9,456
Web expense	53	-	-	-	4,219		4,272	1,330
Travel and conferences	-	3,273	4,034	1,394	19,143		27,844	8,539
Educational services	2,493	9,908	15,483	-	1,473		29,357	12,093
Endowment	-	-	3,028	-	-		3,028	773
Depreciation and amortization	-	115,247	-	-	4,749		119,996	139,729
	<u>\$ 510,839</u>	<u>\$ 526,952</u>	<u>\$ 1,350,990</u>	<u>\$ 232,739</u>	<u>\$ 698,178</u>		<u>\$ 3,319,698</u>	<u>\$ 2,958,493</u>

St. Lawrence Valley Educational Television Council, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Activities			Supporting Activities			2022
	<u>Production</u>	<u>Engineering and Technology</u>	<u>Development and Program</u>	<u>Sales</u>	<u>Administration</u>	<u>Total</u>	
Salaries and wages	\$ 260,891	\$ 73,262	\$ 335,432	\$ 142,017	\$ 194,361	\$ 1,005,963	
Payroll taxes	19,154	4,955	24,286	8,112	23,503	80,010	
Employee benefits	53,467	16,846	71,317	19,080	65,530	226,240	
Broadcast rights	-	-	343,907	-	-	343,907	
Dues and subscriptions	668	-	113,637	687	45,732	160,724	
Utilities and telephone	13,742	32,983	14,150	13,718	38,800	113,393	
Postage and shipping	63	42	116,579	545	6,126	123,355	
Central casting	-	111,295	-	-	-	111,295	
Maintenance and repairs	1,155	77,622	524	-	5,132	84,433	
Insurance	-	-	-	-	71,048	71,048	
Premiums	-	-	33,435	-	-	33,435	
Production expense	29,952	35	11,503	8,582	-	50,072	
Bank service charges	50	-	1,211	59	25,303	26,623	
Printing	-	-	29,226	-	1,362	30,588	
Computer expense	9,660	7,708	16,549	3,995	1,683	39,595	
Business services	-	20,467	72,672	4,499	13,775	111,413	
Miscellaneous	671	600	4,009	3,077	18,268	26,625	
Professional fees	750	290	-	-	28,922	29,962	
Interest	-	-	3	-	9,249	9,252	
Vehicle expense	1,142	3,436	515	634	378	6,105	
Office expense	170	37	825	14	1,332	2,378	
Station relations	50	811	8	-	7,644	8,513	
Advertising	432	1,537	66,108	-	2,629	70,706	
Professional development	547	-	241	2,310	389	3,487	
Auction expense	-	-	4,001	-	-	4,001	
Special events	-	-	8,622	-	3	8,625	
Consulting	-	350	-	-	4,475	4,825	
Station products	7,417	-	2,039	-	-	9,456	
Web expense	300	-	-	-	1,030	1,330	
Travel and conferences	-	-	2,072	20	6,447	8,539	
Educational services	506	101	11,054	-	432	12,093	
Endowment	-	-	773	-	-	773	
Depreciation and amortization	-	139,729	-	-	-	139,729	
	<u>\$ 400,787</u>	<u>\$ 492,106</u>	<u>\$ 1,284,698</u>	<u>\$ 207,349</u>	<u>\$ 573,553</u>	<u>\$ 2,958,493</u>	

**St. Lawrence Valley Educational
Television Council, Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Operating Activities		
Increase (decrease) in net assets	\$ (15,505)	\$ (51,303)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	118,230	138,253
Amortization	1,766	1,477
Unrealized (gain) loss in investments	(2,044)	-
Unrealized (gain) loss in investment in Centralcast, LLC	91,523	(47,932)
Unrealized (gain) loss in beneficial interest	(29,545)	45,038
Accrued interest income	-	(572)
Change in current operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(21,440)	7,407
Prepaid expense	(1,338)	5,135
Broadcasting contract rights	(16,137)	(14,416)
(Decrease) increase in:		
Accounts payable	44,896	(18,481)
Accrued taxes and expense	(1,457)	5,592
Net cash provided by operating activities	<u>168,949</u>	<u>75,238</u>
Investing Activities		
Deposit in Northern New York Community Foundation Fund	(28,010)	-
Investment in certificates of deposit	(150,000)	(300,000)
Purchase of fixed assets	(58,255)	(18,489)
Proceeds from certificates of deposit	250,000	-
Purchase of investments	(401,884)	-
Net cash used by investing activities	<u>(388,149)</u>	<u>(318,489)</u>
Financing Activities		
Borrowings - long term	-	141,300
Debt reduction - long term	-	(239,371)
Net cash provided (used) by financing activities	<u>-</u>	<u>(98,071)</u>

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

**St. Lawrence Valley Educational
Television Council, Inc.
Statements of Cash Flows (Continued)
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Net increase (decrease) in cash and cash equivalents	(219,200)	(341,322)
Cash and cash equivalents at beginning of year	<u>714,197</u>	<u>1,055,519</u>
Cash and cash equivalents at end of year	<u>\$ 494,997</u>	<u>\$ 714,197</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Income taxes	<u>\$ 6,523</u>	<u>\$ 5,794</u>
Interest	<u>\$ 11,774</u>	<u>\$ 4,212</u>

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

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
June 30, 2023 and 2022**

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.

Advertising

Advertising costs are expensed as they are incurred. These costs amounted to \$66,512 for 2023 and \$70,706 for 2022.

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.

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.

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
June 30, 2023 and 2022**

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.

Sources of Revenue

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

Concentration of Revenue

The Council received approximately 28% of its revenue from the Corporation for Public Broadcasting and 31% 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, 2023 and 2022 totaled \$21,691 and \$36,520, 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.

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
June 30, 2023 and 2022**

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.

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.

Auction revenue is recognized when payment is received and grants are recognized when conditions to receive the grants have been satisfied. Underwriting revenue is recognized when the obligation to fund production of a program has been made.

Reclassifications

Certain amounts in the financial statements for 2022 have been restated to provide an improved comparison to 2023.

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>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.
Notes to Financial Statements
June 30, 2023 and 2022**

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Utilities and telephone	Equally to each activity

2 - Fair Value Measurements and Disclosures

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
June 30, 2023 and 2022**

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2023:

Assets at Fair Value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange - Traded Funds	\$ 102,590	\$ -	\$ -	\$ 102,590
Mutual Funds	31,123	-	-	31,123
Corporate Bonds	267,210	-	-	267,210
	<u>\$ 400,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,923</u>

3 – Fixed Assets

The major categories of fixed assets as of June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 21,167	\$ 21,167
Land improvements	44,031	44,031
Furniture and fixtures	85,999	85,999
Buildings and improvements	1,307,660	1,301,770
Studio and technical equipment	3,586,290	3,563,047
Office machines	51,478	44,567
Transmitters, antennas and towers	4,595,134	4,576,895
Vehicles	93,018	93,018
Satellite	74,450	74,450
	<u>9,859,227</u>	<u>9,804,944</u>
Less accumulated depreciation	<u>9,059,968</u>	<u>8,945,743</u>
	<u>\$ 799,259</u>	<u>\$ 859,201</u>

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
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4 – 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 2023 and 2022 was 10%. For the years ended June 30, 2023 and 2022, the Council's share of Centralcast, LLC's gain (loss) was (\$91,523) and \$47,932, respectively.

5 – Beneficial Interest with Northern New York Community Foundation Fund

The Council has placed funds 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 Foundation's spending policy. The Foundation holds funds for the benefit of the Council with fair values totaling \$385,618 and \$328,063 at June 30, 2023 and 2022, respectively.

6 – 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>2023</u>	<u>2022</u>
Original cost	\$ 52,759	\$ 47,023
Accumulated amortization	<u>(41,963)</u>	<u>(36,194)</u>
	<u>\$ 10,796</u>	<u>\$ 10,829</u>

7 – 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.

**St. Lawrence Valley Educational
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Notes to Financial Statements
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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 \$1,948 and \$6,244 for the years ended June 30, 2023 and 2022, respectively.

8 – 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, 2023 and 2022 were \$0 and \$0, respectively.

9 – Long Term Debt

	<u>2023</u>	<u>2022</u>
Small Business Administration		
Note payable, secured by all station assets. Monthly payments of \$1,293 began December 2022. Interest is computed at 2.75%. Maturity date is September 2052.	<u>291,300</u>	<u>291,300</u>
	291,300	291,300
Less current portion	<u>6,288</u>	<u>-</u>
	<u>\$ 285,012</u>	<u>\$ 291,300</u>

Maturities of long-term debt after June 30, 2023 are as follows:

Year ended June 30	
2024	\$ 6,288
2025	7,776
2026	7,992
2027	8,215
2028	8,444
After 2028	<u>252,585</u>
	<u>\$ 291,300</u>

Interest expense incurred was \$9,304 and \$9,252 for the years ended June 30, 2023 and 2022, respectively.

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
June 30, 2023 and 2022**

10 – Retirement Plan

The Council participates in contributory retirement plans. 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, 2023 and 2022 was \$48,690 and \$33,748, respectively. St. Lawrence Valley Educational Television Council, Inc. contributes 5% of the employee's gross wages provided the employee contributes 3% of their wages.

11 – 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, 2023 and 2022 was \$190,988 and \$184,176, respectively.

Minimum future rent payments to be received follows:

2024	\$ 167,230
2025	98,332
2026	98,332
2027	51,313
2028	31,463
Thereafter	106,707

12 – 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, 2023 and 2022, respectively.

13 – 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, 2023 and 2022 is included in revenue and expenditure.

**St. Lawrence Valley Educational
Television Council, Inc.
Notes to Financial Statements
June 30, 2023 and 2022**

14 – Liquidity and Availability

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

	<u>2023</u>
Cash and cash equivalents	\$ 494,997
Certificates of deposit	201,811
Investments	400,923
Accounts receivable	<u>48,467</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,146,198</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.

15 – Subsequent Events

Management has evaluated subsequent events through January 10, 2024, the date on which the financial statements were available to be issued.

Supplementary Information

**St. Lawrence Valley Educational
Television Council, Inc.
Details of Revenue and Support
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenue and Support		
Contributions		
Memberships	\$ 519,175	\$ 501,334
Television auctions	80,740	68,426
Donations	218,891	147,055
	<u>818,806</u>	<u>716,815</u>
Grants		
Corporation for Public Broadcasting (CPB)	929,758	894,127
New York State Education Department	1,028,977	661,267
Federal Communications Commission	-	7,263
Program Outreach Grants	14,000	7,000
Foundation Grants	6,088	157,620
	<u>1,978,823</u>	<u>1,727,277</u>
Gain (loss) on beneficial interest	29,545	(45,038)
Gain (loss) on investments	(86,768)	47,932
Interest income	9,305	660
Dividend income	2,941	174
	<u>(44,977)</u>	<u>3,728</u>
Other Revenue		
Underwriting	306,030	229,316
Rental income	190,988	184,176
Commercial production	23,879	5,135
Miscellaneous	2,672	4,783
Royalty income	4,070	2,718
Advertising	5,000	2,500
Special events	3,561	4,719
Product sales	17,289	32,267
	<u>553,489</u>	<u>465,614</u>
	<u>\$ 3,306,141</u>	<u>\$ 2,913,434</u>

See Independent Auditors' Report.