The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Consolidated Financial Report
June 30, 2019

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Trustees
The Greater Washington Educational Telecommunications Association, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of activities, and cash flows for the years then ended, the related statement of functional expenses for the year ended June 30, 2019, and the related notes to the consolidated financial statements (collectively, the 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 control 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 audits. We conducted our audits 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 control 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 control. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary as of June 30, 2019 and 2018, 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.

Emphasis of Matter

As disclosed in Note 1 to the financial statements, the Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The adoption of this standard resulted in additional disclosures over liquidity and changes to the classification of net assets. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the June 30, 2019 and 2018, consolidated financial statements taken as a whole. The accompanying supplemental schedules of support and gains and supplemental statement of activities by grantees on pages 23 and 24 are presented for purposes of additional analysis and are 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 for the years ended June 30, 2019 and 2018, has been subjected to the auditing procedures applied in the audit of the 2019 and 2018 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 for the years ended June 30, 2019 and 2018 is fairly stated in all material respects in relation to the 2019 and 2018 financial statements as a whole.

RSM US LLP

McLean, Virginia
November 18, 2019

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Consolidated Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	**$ 16,548,336**	$ 12,125,619
Receivables, net	**30,222,927**	25,199,496
Investments	**52,772,496**	49,639,410
Deferred compensation assets	**1,520,839**	1,340,999
Prepaid expenses and other assets	**1,834,397**	1,774,133
Film assets	**53,924,295**	41,016,584
Property and equipment, net	**11,534,145**	12,197,506
Total assets	**$ 168,357,435**	$ 143,293,747
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 9,604,163**	$ 5,127,242
Deferred revenue	**327,997**	379,684
Deferred compensation liability	**1,520,839**	1,340,999
Loan payable	**2,724,042**	3,704,044
Total liabilities	**14,177,041**	10,551,969
Commitments and contingencies (Notes 7 and 12)		
Net assets:		
Without donor restrictions		
Undesignated	**13,760,683**	14,436,308
Board designated	**18,824,888**	16,830,397
Total net assets without donor restrictions	**32,585,571**	31,266,705
With donor restrictions	**121,594,823**	101,475,073
Total net assets	**154,180,394**	132,741,778
Total liabilities and net assets	**$ 168,357,435**	$ 143,293,747

See notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Consolidated Statements of Activities
Years Ended June 30, 2019 and 2018

	2019	2018
Changes in net assets without donor restrictions:		
Revenues and other support, including amounts released from restrictions:		
Production funding from public broadcasting system	**$ 23,053,507**	$ 26,118,428
Corporate underwriting and funding	**15,072,784**	15,170,077
Membership and individual contributions	**23,499,200**	29,409,032
Foundations and nonprofit organizations	**22,953,476**	31,003,359
Federal, state and local government grants	**3,023,398**	3,667,921
Community service grants from the Corporation for Public Broadcasting	**7,364,648**	8,114,992
Rental income and other	**2,333,082**	2,183,736
Total revenues and other support without donor restrictions	**97,300,095**	115,667,545
Expenses:		
National programming and productions	**60,574,745**	76,190,867
Television broadcast operations	**12,118,889**	14,555,207
Radio broadcast operations	**2,689,457**	2,749,545
Promotion, education and outreach	**6,176,233**	5,711,740
Fundraising and membership development	**7,799,762**	7,868,182
Underwriting and grant solicitation	**3,882,670**	4,507,627
Management and general	**1,668,756**	1,769,110
Total expenses	**94,910,512**	113,352,278
Change in net assets without donor restrictions before other changes	**2,389,583**	2,315,267
Other changes:		
Net investment return	**1,608,323**	1,317,573
Loss on disposal of property and equipment	**(22,783)**	(1,578)
Depreciation and amortization	**(2,093,644)**	(2,035,225)
Interest expense	**(71,831)**	(93,760)
Property tax expense	**(493,616)**	(407,529)
Other non-operating income (expense)	**2,834**	(2,851)
Total other changes	**(1,070,717)**	(1,223,370)
Total change in net assets without donor restrictions	**1,318,866**	1,091,897
Changes in net assets with donor restrictions:		
Television production and other restricted contributions	**89,963,234**	81,897,656
Endowment investment return	**1,709,554**	1,819,230
Endowment distributions	**(431,846)**	(695,110)
Endowment gifts	**-**	100,000
Net assets released from restrictions	**(71,121,192)**	(89,057,358)
Total change in net assets with donor restrictions	**20,119,750**	(5,935,582)
Change in net assets	**21,438,616**	(4,843,685)
Net assets:		
Beginning of year	**132,741,778**	137,585,463
End of year	**$ 154,180,394**	$ 132,741,778

See notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

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

	2019										
	Program services					Supporting services					
	National Programming and Productions	Television Broadcast Operations	Radio Broadcast Operations	Promotion, Education and Outreach	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Support Services	Total Expenses	Total Expenses 2018
Compensation of officers and directors	$ 2,374,456	$ -	$ -	$ -	$ 2,374,456	$ -	$ -	$ 1,745,457	$ 1,745,457	$ 4,119,913	$ 4,254,662
Other salaries and wages	14,959,248	2,292,655	1,340,795	2,627,395	21,220,093	2,028,771	1,413,430	3,630,283	7,072,484	28,292,577	27,651,201
Retirement plan contributions	1,268,169	197,159	106,134	204,155	1,775,617	160,559	89,106	353,812	603,477	2,379,094	2,387,687
Other employee benefits	1,915,380	297,779	160,299	308,345	2,681,803	242,501	134,581	534,380	911,462	3,593,265	3,601,366
Payroll taxes	1,146,305	178,213	95,935	184,536	1,604,989	145,130	80,543	319,812	545,485	2,150,474	2,122,536
Accounting fees	-	-	-	-	-	-	-	98,123	98,123	98,123	127,033
Legal fees	-	-	-	-	-	-	-	143,379	143,379	143,379	138,567
Other professional fees	347,741	36,000	25,389	161,686	570,816	393,982	283,143	265,369	942,494	1,513,310	1,293,728
Supplies	109,550	7,343	2,315	58,169	177,377	9,634	15,803	171,999	197,436	374,813	368,916
Occupancy	517,401	446,347	146,493	801	1,111,042	11,310	-	1,442,717	1,454,027	2,565,069	3,003,328
Telephone, rent and utilities	116,244	92,102	20,382	5,984	234,712	88,754	3,467	146,510	238,731	473,443	460,112
Postage and shipping	27,272	7,432	104	221,365	256,173	874,748	52	12,510	887,310	1,143,483	1,057,379
Equipment rental and maintenance	259,813	141,953	64,796	11,834	478,396	274,995	6,998	276,100	558,093	1,036,489	1,054,026
Printing and publications	25,279	5,567	-	280,754	311,600	575,147	2,078	1,068	578,293	889,893	844,017
Travel	1,553,106	17,513	3,500	188,091	1,762,210	37,231	91,861	42,522	171,614	1,933,824	1,852,022
Conferences, conventions and meetings	207,009	11,175	-	147,931	366,115	59,689	7,745	14,664	82,098	448,213	355,798
Production and acquisition costs	29,163,448	1,715,079	134,892	360,495	31,373,914	199,716	113,610	83,303	396,629	31,770,543	48,376,656
Public Broadcasting Service dues	-	5,574,313	-	-	5,574,313	-	-	-	-	5,574,313	7,654,984
Advertising and promotions	172,924	24,981	-	475,061	672,966	746,186	60,385	5,134	811,705	1,484,671	2,061,704
Memberships and affiliations	3,645	1,266	46,152	2,513	53,576	20,465	-	141,104	161,569	215,145	191,284
All other expenses	916,777	320,281	110,577	94,487	1,442,122	1,277,772	1,144,499	846,085	3,268,356	4,710,478	4,495,272
Allocation of indirect costs	5,490,978	751,731	431,694	842,631	7,517,034	653,172	435,369	(8,605,575)	(7,517,034)	-	-
Total expenses before other changes	60,574,745	12,118,889	2,689,457	6,176,233	81,559,324	7,799,762	3,882,670	1,668,756	13,351,188	94,910,512	113,352,278
Property tax expense	69,905	-	23,475	-	93,380	-	-	400,236	400,236	493,616	407,529
Interest expense	-	-	-	-	-	-	-	71,831	71,831	71,831	93,760
Depreciation and amortization	1,030,262	154,681	212,339	2,159	1,399,441	29,177	-	665,026	694,203	2,093,644	2,035,225
Other non-operating (income) expense	-	-	-	-	-	-	-	(2,834)	(2,834)	(2,834)	2,851
Allocation of indirect costs	606,180	82,988	47,657	93,023	829,848	72,108	48,062	(950,018)	(829,848)	-	-
Grand totals	$ 62,281,092	$ 12,356,558	$ 2,972,928	$ 6,271,415	$ 83,881,993	$ 7,901,047	$ 3,930,732	$ 1,852,997	$ 13,684,776	$ 97,566,769	$ 115,891,643

See notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	**$ 21,438,616**	$ (4,843,685)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions restricted for long-term purposes	**-**	(100,000)
Depreciation and amortization	**2,093,644**	2,035,225
Unrealized and realized gain on investments	**(1,293,642)**	(1,725,609)
Change in unamortized discount on grants and contributions receivable	**61,306**	24,629
Change in provision for uncollectible accounts and contributions receivable	**135,529**	76,624
Loss on disposal of property	**22,783**	1,578
Changes in assets and liabilities		
Receivables	**(5,220,266)**	(4,362,746)
Prepaid expenses and other assets	**(60,264)**	(378,472)
Film assets	**(12,907,711)**	9,323,990
Accounts payable and accrued expenses	**4,476,921**	(1,474,379)
Deferred revenue	**(51,687)**	(17,814)
Net cash provided by (used in) operating activities	**8,695,229**	(1,440,659)
Cash flows from investing activities:		
Purchases of investment securities	**(1,916,758)**	(1,553,833)
Sales of investment securities	**77,314**	47,091
Purchases of property and equipment	**(1,453,066)**	(627,441)
Net cash used in investing activities	**(3,292,510)**	(2,134,183)
Cash flows from financing activities:		
Contributions restricted for long-term purposes	**-**	100,000
Payments on loan payable	**(980,002)**	(958,114)
Net cash used in financing activities	**(980,002)**	(858,114)
Net increase (decrease) in cash and cash equivalents	**4,422,717**	(4,432,956)
Cash and cash equivalents:		
Beginning	**12,125,619**	16,558,575
Ending	**$ 16,548,336**	$ 12,125,619
Supplemental disclosure of cash flow information:		
Interest paid	**$ 73,652**	$ 94,204

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Greater Washington Educational Telecommunications Association, Inc. (WETA) is a nonprofit Washington, D.C. corporation chartered in 1953 to operate a public television and public FM radio station.

NewsHour Productions LLC, a wholly owned nonprofit subsidiary of WETA, was formed in May 2014, for the primary business purpose of producing the PBS NewsHour program and other related activities. NewsHour Productions LLC is a single member limited liability company (NHP LLC) with WETA as its sole member. NHP LLC is consolidated with WETA for financial statement and tax purposes.

The following program and supporting services are included in the consolidated statements of functional expenses.

National programming and productions: This program includes national program development and the production center facility.

Television broadcast operations: This program includes TV station program acquisition and scheduling functions, as well as the master control and engineering functions related to television.

Radio broadcast operations: This program includes radio station program acquisition and scheduling functions, as well as the FM studio and engineering functions related to radio.

Promotion, education and outreach: This program includes communications, learning media and audience services.

Fundraising and membership development: This supporting service category includes the departments focused on raising a high volume of relatively low dollar membership gifts from individuals, as well as major giving.

Underwriting and grant solicitation: This supporting service category includes foundation and government development, and local and national corporate program and production underwriting.

Management and general: This supporting service category includes the functions necessary to support the proper administrative functioning of the Organization such as human resources, management information systems, accounting and finance, legal, executive offices and facilities.

A summary of the Organization's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of WETA and NHP LLC, collectively the Organization. Intercompany balances and transactions have been eliminated in consolidation.

Basis of accounting: The consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned, unconditional support is recognized when received and expenses are recognized when incurred.

Basis of presentation: The consolidated financial statements presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification). As required by the Not-for-Profit Entities topics of the Codification, balance sheet and income statement, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Financial risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant financial risk on cash.

The Organization invests in a professionally managed portfolio that contains various securities that are exposed to risks, such as interest, market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Cash and cash equivalents: The Organization considers highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents except for the cash accounts held as part of investments.

Receivables: Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The provision for doubtful accounts, based on management's evaluation of collectability, was $264,373 and $128,844 at June 30, 2019 and 2018, respectively.

Investments: The fair value of marketable investments in equity and debt securities (which includes both domestic and foreign issues) are based on the published current market value at June 30, 2019 and 2018.

Realized gains and losses from sales of investments and unrealized gains and losses from market fluctuations of the underlying investments are included in the consolidated statements of activities during the period in which they occur.

Film assets: The Organization capitalizes the production cost of television programs. The capitalized costs are direct costs of production and production overhead. The costs are recognized as expense when the program segment is first aired. All film assets are for direct-to-television projects and all capitalized film assets relate to projects which have not aired at June 30, 2019 and 2018. The Organization expects approximately $33,300,000 and $8,400,000 of film assets to be expensed during the years ending June 30, 2020 and 2021, respectively.

Property and equipment: Property and equipment is recorded at cost. Contributed property is recorded at the estimated fair value at the date of contribution. The Organization capitalizes all expenditures for property and equipment over $1,000. The useful life of the asset is determined on a case-by-case basis, and the estimated useful lives currently range from one to 31.5 years. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Deferred revenue: Deferred revenue represents receipts for local broadcast underwriting in advance of the revenue being earned.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Net assets: Unconditional contributions 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. Revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. All expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as an increase or decrease in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that may or will be met either by the actions of the Organization and/or the passage of time. Releases of restrictions on net assets are reported as releases from net assets with donor restrictions to net assets without donor restrictions when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed. The Organization considers federal grants to be unconditional and are recorded as net assets with donor restrictions when received. Certain net assets with donor restrictions must be held in perpetuity by the Organization.

Endowment: The Organization's endowment consists of individual funds established for a variety of purposes that are subject to varying levels of donor-imposed restrictions and funds designated by the Board of Trustees.

The Organization classifies amounts restricted by the donor to be preserved in perpetuity as net assets with donor restrictions. Earnings from all donor-restricted funds are classified as net assets with donor restrictions until such time as they are appropriated for use. Both the principal and earnings of Board-designated funds are classified as net assets without donor restrictions. Investment income and investment gains and losses are attributed to individual endowment funds in proportion to their pro rata share of the investment balance at the beginning of the fiscal year.

Television and radio production: The Organization receives contributions and grants from entities to underwrite the cost of some of its programs and productions. In such instances, the Organization recognizes the total contribution and grant as upon receipt of the gift and are included within net assets with donor restrictions. When the donor restriction expires through performance and/or lapse of time, the contribution and grant are transferred from net assets with donor restrictions to net assets without donor restrictions.

Membership and contributions from individuals: Unconditional contributions, which include unconditional contributions receivable, are recognized as support at the earlier of the period received or when the promise is made. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional promises to give during the years ended June 30, 2019 and 2018.

Contributed services, materials and equipment: The Organization receives contributed goods and services from outside sources to assist with outreach, education, fundraising and advertising. Such goods and services include, but are not limited to, airfare, advertising and other services. These amounts are recorded at fair value in the accompanying consolidated statements of activities within corporate underwriting and funding revenue and the related expense of $99,358 and $102,524 for the years ended June 30, 2019 and 2018, respectively.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Functional allocation of expenses: The costs of providing various program and supporting activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Overhead costs such as depreciation, benefits, occupancy, telephone, rent and utilities have been allocated based on personnel costs and employee headcount.

Use of estimates: The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The Organization is also required to make estimates and assumptions that affect the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Advertising: Advertising expenditures are expensed as incurred. Advertising expense was $1,484,671 and $2,061,704 for the years ended June 30, 2019 and 2018, respectively.

Income taxes: WETA is recognized as exempt from federal income taxes, except on unrelated activities, under Internal Revenue Code (IRC) Section 501(c)(3). The Internal Revenue Service has also determined that WETA is not a private foundation. NHP LLC is a single member LLC and is a disregarded entity for federal income tax purposes.

Management evaluated the Organization’s tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Adopted accounting pronouncement: In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB’s improvements to net asset classification requirements and the information presented about a not-for-profit entity’s liquidity, financial performance and cash flows. The Organization adopted ASU 2016-14 in its consolidated financial statements effective June 30, 2019. As permitted by the ASU in the year of adoption, the Organization presented the footnote on liquidity as of June 30, 2019 only and presented the consolidated statement of functional expenses as of June 30, 2019, only with comparative totals.

Pending accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* A lessee is required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The standard is effective for the Organization on July 1, 2020, with early adoption permitted.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Organization is a resource recipient, the ASU is applicable to contributions received for annual periods beginning after December 15, 2018. Where the Organization is a resource provider, the ASU is effective for annual periods beginning after December 15, 2019.

Reclassifications: Certain items in the June 30, 2018, consolidated financial statements were reclassified to conform to the current year presentation. These items had no impact on net assets or change in net assets.

Subsequent events: The Organization evaluated subsequent events through November 18, 2019, which is the date the consolidated financial statements were available to be issued. No material subsequent events were noted that required disclosure in or adjustment to the consolidated financial statements.

Note 2. Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2019, the following financial assets are available to meet annual operating needs of the 2020 fiscal year:

Cash and cash equivalents	$ 16,548,336
Receivables, net	30,222,927
Investments	52,772,496
Line of credit	4,000,000
Total financial assets at year-end	103,543,759
Less amounts not available to be used within one year:	
Board designated funds	(18,824,888)
Donor restricted funds, net of film assets	(67,670,528)
Financial assets not available to be used for general expenditures	(86,495,416)
Financial assets available to meet general expenditures over the next 12 months	$ 17,048,343
Donor restricted funds	$ (121,594,823)
Film assets	53,924,295
Donor restricted funds, net of film assets	$ (67,670,528)

Note 3. Receivables

Receivables are comprised of the following amounts at June 30:

	2019	2018
Unconditional grants and contributions, net	$ 24,031,808	$ 20,618,252
Accounts receivable, net	3,674,537	3,338,146
Federal billed and unbilled	2,516,582	1,243,098
Receivables, net	$ 30,222,927	$ 25,199,496

Unconditional contributions that are expected to be received more than one year into the future are discounted using weighted average risk free rates of 1.15% and 2.5% for the years ended June 30, 2019 and 2018, respectively. Amortization of the discount is recorded as additional contribution revenue, typically ratably, and is used in accordance with donor-imposed restrictions, if any, on the contributions. When necessary, an allowance is made for uncollectible contributions, based upon management's judgment, past collection experience, and other relevant factors. For the years ended June 30, 2019 and 2018, the Organization wrote off $160,348 and $131,290 of receivables, respectively.

Unconditional grants and contributions receivable are expected to be collected over the following periods:

	2019	2018
Due in less than one year	$ 19,712,800	$ 19,069,909
Due after one year and before five years	4,692,500	1,725,000
Discount of long-term receivables	(109,119)	(47,813)
Allowance for doubtful accounts	(264,373)	(128,844)
Unconditional grants and contributions receivable, net	$ 24,031,808	$ 20,618,252

Long-term receivables arise primarily from grants and contributions restricted to fund television projects, which often have multiyear production schedules.

Note 4. Investments and Fair Value Measurement

The Organization follows the Codification topic, Fair Value Measurement. The topic applies to all assets and liabilities that are being measured and reported on a fair value basis. The topic establishes a framework for measuring fair value in accordance with GAAP and expands disclosure about fair value measurements. The topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The topic requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. The Organization had no Level 2 or Level 3 investments at June 30, 2019 and 2018.

Note 4. Investments and Fair Value Measurement (Continued)

The tables below present the balances of assets and liabilities at June 30, 2019 and 2018, measured at fair value on a recurring basis by level within the hierarchy:

		Investments at Fair Value		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance as of June 30, 2019
Asset category:				
Money market fund:	$ 276,485	$ -	$ -	$ 276,485
Equity mutual and exchange traded funds:				
Large blend	18,827,646	-	-	18,827,646
International growth and value	12,055,507	-	-	12,055,507
Small cap blend	247,730	-	-	247,730
Mid cap blend	133,808	-	-	133,808
Real estate	29,891	-	-	29,891
Emerging markets	28,453	-	-	28,453
	31,323,035	-	-	31,323,035
Fixed income mutual funds:				
Intermediate term	18,806,487	-	-	18,806,487
Short-term	3,825,446	-	-	3,825,446
High yield	33,949	-	-	33,949
Emerging markets	27,933	-	-	27,933
	22,693,815	-	-	22,693,815
Total assets at fair value	$ 54,293,335	$ -	$ -	$ 54,293,335
Total investments at fair value				$ 52,772,496
Total deferred compensation assets at fair value				1,520,839
				$ 54,293,335
Liabilities:				
Deferred compensation plan liabilities	$ -	$ 1,520,839	$ -	$ 1,520,839
Total liabilities at fair value	$ -	$ 1,520,839	$ -	$ 1,520,839

Note 4. Investments and Fair Value Measurement (Continued)

	Investments at Fair Value			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance as of June 30, 2018
Asset category:				
Money market fund:	$ 261,874	$ -	$ -	$ 261,874
Equity mutual and exchange traded funds:				
Large blend	18,983,720	-	-	18,983,720
International growth and value	11,545,026	-	-	11,545,026
Small cap blend	274,159	-	-	274,159
Mid cap blend	74,479	-	-	74,479
Emerging markets	48,939	-	-	48,939
Real estate	24,929	-	-	24,929
	30,951,252	-	-	30,951,252
Fixed income mutual funds:				
Intermediate term	16,261,809	-	-	16,261,809
Short-term	3,463,079	-	-	3,463,079
High yield	27,244	-	-	27,244
International bond	11,162	-	-	11,162
	19,763,294	-	-	19,763,294
Real estate limited partnerships:				
JP Morgan Alternative Property Fund	-	-	-	3,989
Total investments at fair value	$ 50,976,420	$ -	$ -	$ 50,980,409
Total investments at fair value				$ 49,639,410
Total deferred compensation assets at fair value				1,340,999
				$ 50,980,409
Liabilities:				
Deferred compensation plan liabilities	$ -	$ 1,340,999	$ -	$ 1,340,999
Total liabilities at fair value	$ -	$ 1,340,999	$ -	$ 1,340,999

The money market, mutual, and exchange traded funds are considered Level 1 assets as they are actively traded on public exchanges. The limited partnerships are not subject to the hierarchy as they are valued using a practical expedient. The deferred compensation plan liabilities are based on the fair market value of the deferred compensation plan assets, which are observable inputs; however, the liabilities are not publicly traded and are, therefore, considered Level 2 items.

Note 4. Investments and Fair Value Measurement (Continued)

Investment income consists of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Unrealized gain and realized gain	$ 1,293,642	$ 1,725,609
Interest and dividends	2,073,081	1,458,838
Investment management fees	(48,846)	(47,644)
	$ 3,317,877	$ 3,136,803
Net investment return	$ 1,608,323	$ 1,317,573
Endowment investment return	1,709,554	1,819,230
	$ 3,317,877	$ 3,136,803

Note 5. Property and Equipment

Property and equipment consists of the following at June 30:

	2019	2018
Production and other equipment	$ 31,757,624	$ 31,580,021
Building and improvements	19,605,173	19,626,638
Land	2,255,367	2,255,367
Fixed assets purchased, but not yet placed in service	260,853	229,295
	53,879,017	53,691,321
Less accumulated depreciation and amortization	(42,344,872)	(41,493,815)
Property and equipment, net	$ 11,534,145	$ 12,197,506

Depreciation and amortization expense was $2,093,644 and $2,035,225 for the years ended June 30, 2019 and 2018, respectively

Note 6. Loan Payable

The Organization has a commercial, unsecured loan agreement with Bank of America. The loan agreement has a fixed interest rate of 2.23% per annum.

Interest expense on the loan payable totaled $71,831 and $93,760 for the years ended June 30, 2019 and 2018, respectively.

Scheduled principal payments on the loan payable, by year and in aggregate, are as follows:

Years ending June 30:	
2020	$ 1,002,263
2021	1,025,288
2022	696,491
	$ 2,724,042

Note 6. Loan Payable (Continued)

The loan payable has a restrictive debt covenant under the terms of the loan agreement. At June 30, 2019 and 2018, the Organization was in compliance with all covenants.

Note 7. Line of Credit

The Organization has a revolving line of credit with Bank of America in the amount of $4,000,000 that expires on January 31, 2020. The Organization had no outstanding amounts due under the line of credit at June 30, 2019 and 2018.

Note 8. Retirement Plan

The Organization provides retirement benefits for substantially all of its employees through a 403(b) defined contribution savings plan. The Organization's financial liability under this plan is limited to current contributions. Total employer contributions to the plan were $2,379,094 and $2,387,687 for the years ended June 30, 2019 and 2018, respectively.

Note 9. Deferred Compensation Plan

The Organization has a 457(b) Deferred Compensation Plan (the Plan). The Plan is intended to be a deferred compensation plan for corporate officers of the Organization in accordance with Section 457(b) of the IRC. The recorded asset and liability for the deferred compensation plan was $1,520,389 and $1,340,999 for the years ended June 30, 2019 and 2018, respectively.

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	2019	2018
Programmatic and time restrictions:		
National television production	$ 89,326,780	$ 71,024,305
Local broadcasting	2,925,307	2,397,996
Learning media projects	331,712	319,456
Total programmatic and time restrictions	92,583,799	73,741,757
Donor restricted endowment funds:		
The Leonore Annenberg Endowment	8,173,217	7,698,652
Capital Campaign Fund – Program Trust	10,652,066	10,174,861
Eugene B. Casey Endowment	1,835,151	1,728,596
Fisher Endowment	1,371,322	1,355,605
Arts Program Fund	6,733,170	6,543,793
Other named endowments	246,098	231,809
Total donor restricted endowment funds	29,011,024	27,733,316
Net assets with donor restrictions	$ 121,594,823	$ 101,475,073

Note 10. Net Assets With Donor Restrictions (Continued)

Net assets released from restrictions included in support within the consolidated statements of activities are as follows:

	2019	2018
Production funding from public broadcasting system	$ 23,113,055	$ 26,161,180
Foundations and nonprofit organizations	22,541,400	30,644,473
Corporate underwriting and funding	13,612,891	12,825,941
Community service grants from Corporation for Public Broadcasting	7,364,648	8,114,992
Membership and individuals contributions	1,459,621	7,650,699
Federal, state and local government grants	3,029,577	3,660,073
Total net assets released from restriction	$ 71,121,192	$ 89,057,358

The donor restricted endowment funds are comprised of the following:

The Leonore Annenberg Endowment: The Annenberg Foundation established The Leonore Annenberg Endowment to support projects that are important, national in scope and consistent with the values and integrity of its namesake. As of September 30 each year, the Organization will determine the Fund's market value, including income and both realized and unrealized gains and losses net of fees, and calculate the amount that may be withdrawn.

Capital Campaign Fund – Program Trust: The Capital Campaign Fund was established to help fund the development of new facilities and to create an endowment to support the development of radio and television programming for public broadcasting. The National Endowment for the Humanities awarded the Organization a $562,000 endowment challenge grant, which was matched by $2,443,421 from private sources. Net assets associated with these grants are recorded as net assets with donor restrictions, except for $500,000 that is recorded in net assets without donor restrictions having been applied toward the purchase of equipment pursuant to donor restrictions. Income generated by this fund is applied to the development of radio and television programming for public broadcasting.

Eugene B. Casey Endowment: The Eugene B. Casey Foundation made a $1,000,000 donor restricted contribution to establish the Eugene B. Casey Endowment Fund. The income from the endowment fund is used to provide programming for children and young people that will enrich them through knowledge of their bodies, minds and spirit.

Fisher Endowment: The Robert M. Fisher Memorial Foundation, Inc. established a $1,000,000 program Endowment Fund at the Organization. The Fisher Endowment Fund will be used to acquire, produce and broadcast television and radio programs in the fulfillment of the mission of the Organization. The Organization will use 5% of the value of the fund as of December 31 the year prior, or $50,000, whichever is greater, each year. If the earnings are less than $50,000 in any one year, the $50,000 shall be funded by the earnings and an amount from principal to bring the annual total to $50,000. The Organization only used principal amount in the first year of this fund.

Note 10. Net Assets With Donor Restrictions (Continued)

Arts endowment and arts program: The Organization previously received a $600,000 challenge grant from the National Endowment for the Arts (NEA). The Organization was required by the terms of the grant to provide matching contributions totaling $1,800,000. Together, the grant and matching funds were used to establish an Arts Endowment Fund of $1,000,000 and an Arts Program Fund of $1,400,000 (together, the Funds). The original principal of the Funds was restricted to be held in perpetuity under the terms of the original grants, though internal borrowing from the Arts Program Fund principal is permitted. As of June 30, 2019 and 2018, the Organization had not borrowed from the Funds. NEA subsequently informed the Organization that the restriction on the funds had been removed. The Organization then reclassified $2,200,000 of those funds into net assets without donor restrictions. $200,000 of the Arts Program Fund remains in net assets with donor restrictions since the funds were matching funds and have not been released from restriction by the donors.

Other named endowments: During fiscal years 2019 and 2018, the Organization received $0 and $100,000, respectively, in endowment contributions from several donors to support the Organization's mission and the community it serves.

Note 11. Endowment

The Organization's endowment consists of individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and designations by the Board of Trustees. The Organization follows the Codification subtopic, Reporting Endowment Funds.

Description of donor restricted and board designated endowment funds: At June 30, 2019 and 2018, the Organization had endowment funds totaling $47,835,912 and $44,563,713, respectively.

The individual endowments funds are comprised of the following:

Donor Restricted Fund:

Arts Endowment Fund and Arts Program Fund**:** To establish an arts endowment fund for the Organization. A significant portion of the funds were released from net assets with donor restrictions in a previous fiscal year in accordance with the donor's instructions. At June 30, 2019 and 2018, $200,000 of the Arts Program Fund remained donor-restricted.

Board-Designated Funds:

WETA Endowment Fund: To provide a continued source of income for operations or to fund special projects, capital improvements or emergency needs.

Capital Building Fund: To be used for the purchase of capital assets without obligation (or donor expectation) to preserve any amount of capital.

Program Investment Fund: To provide a continuing source of investment capital for expenditure in the development of and participation in projects of interest to the Organization.

Program Fund for Excellence: To be used to develop programming of intellectual integrity and cultural merit and to support other projects related to the mission of the Organization.

Strategic Initiatives Fund: To fund new initiatives that are strategically important to the future of the Organization.

Note 11. Endowment (Continued)

The distribution of endowment net assets between donor-restricted and board-designated for the years ending June 30, 2019 and 2018, are as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Program Trust Fund	$ -	$ 10,652,066	$ 10,652,066
Leonore Annenberg Endowment	-	8,173,217	8,173,217
Arts Program Fund	-	3,895,396	3,895,396
Arts Endowment Fund	-	2,837,774	2,837,774
Eugene B. Casey Endowment	-	1,835,151	1,835,151
Fisher Endowment	-	1,371,322	1,371,322
Other Named Endowments	-	246,098	246,098
Donor restricted endowment funds	-	29,011,024	29,011,024
WETA Endowment Fund	6,043,428	-	6,043,428
Capital Building Fund	5,654,559	-	5,654,559
Program Investment Fund	4,473,734	-	4,473,734
Program Fund for Excellence	1,692,146	-	1,692,146
Strategic Initiative Fund	961,021	-	961,021
Board designated funds	18,824,888	-	18,824,888
Total endowment net assets	$ 18,824,888	$ 29,011,024	$ 47,835,912

	2018		
	Without Donor Restrictions	With Donor Restrictions Perpetual	Total
Program Trust Fund	$ -	$ 10,174,861	$ 10,174,861
Leonore Annenberg Endowment	-	7,698,652	7,698,652
Arts Endowment Fund	-	3,670,790	3,670,790
Arts Program Fund	-	2,873,003	2,873,003
Eugene B. Casey Endowment	-	1,728,596	1,728,596
Fisher Endowment	-	1,355,605	1,355,605
Other Named Endowments	-	231,809	231,809
Donor restricted endowment funds	-	27,733,316	27,733,316
WETA Endowment Fund	5,696,294	-	5,696,294
Capital Building Fund	5,326,236	-	5,326,236
Program Investment Fund	4,213,973	-	4,213,973
Program Fund for Excellence	1,593,894	-	1,593,894
Board designated funds	16,830,397	-	16,830,397
Total endowment net assets	$ 16,830,397	$ 27,733,316	$ 44,563,713

Note 11. Endowment (Continued)

Funds with deficiencies: The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no endowment funds with deficiencies for the years ended June 30, 2019 and 2018.

Changes in endowment net assets for the fiscal year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	2019 Total
Endowment net assets, beginning of year	$ 16,830,397	$ 27,733,316	$ 44,563,713
Investment income	602,216	992,338	1,594,554
Investment gains, net	435,254	717,216	1,152,470
Contributions and additions	961,021	-	961,021
Distributions	(4,000)	(431,846)	(435,846)
Endowment net assets, end of year	$ 18,824,888	$ 29,011,024	$ 47,835,912

Changes in endowment net assets for the fiscal year ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	2018 Total
Endowment net assets, beginning of year	$ 16,097,275	$ 26,509,196	$ 42,606,471
Investment income	496,996	818,440	1,315,436
Investment gains, net	607,727	1,000,790	1,608,517
Contributions and additions	-	100,000	100,000
Distributions	(371,601)	(695,110)	(1,066,711)
Endowment net assets, end of year	$ 16,830,397	$ 27,733,316	$ 44,563,713

Endowment investing policies: Endowments are aggregated into a single pool along with other investment funds to permit optimal asset allocation. The Organization's primary investment objective is long- term growth to preserve and enhance the inflation-adjusted purchasing power of the total endowment.

The Organization has a well-diversified investment portfolio. The Organization's Investment Subcommittee monitors the portfolio and investment manager, and advises the Finance and Budget Committee of the Board of Trustees on investment matters in accordance with a written committee charter.

Endowment spending policies: Endowment gifts are spent in accordance with the wishes of the donor and guidance from the Board of Trustees. The Organization may not spend certain endowment earnings every year if projects that meet donor restrictions are not undertaken. If earnings are not used in a particular year, the Organization reinvests them for appropriate use in a future year. Allowable withdrawals that are not taken within a particular year may be withdrawn in subsequent years with the approval of the Organization's Finance and Budget Committee.

Note 11. Endowment (Continued)

Donor restricted endowment funds: Donor restricted endowment funds consist of balances to be held in perpetuity and balances available for distribution. Donor restricted funds are available for annual use per the stated criteria in the donor agreement. Most of the agreements allow for annual distributions in the amount of 4% to 5% of the prior year's ending balance or of the prior three-year average balance. For any restricted endowments without stated terms, the Organization may annually withdraw up to 5% of the prior year's ending balance. This rate is reviewed periodically by the Organization's Finance and Budget Committee to ensure that it continues to be an appropriate rate to preserve the principal value in perpetuity.

Board designated funds: The entire balance of each Board Designated fund is available for distribution with proper approval, either from the Board of Trustees or Organization Management, depending on the fund.

The decision whether to include withdrawal of money for a particular year's annual budget is made by the Finance and Budget Committee and approved by the Board of Trustees. The Organization's Finance and Budget Committee may approve an extraordinary withdrawal to support essential operations in a significant or protracted economic downturn; cover critical capital expenditures lacking other sources of funding; provide cash flow for a strategic business initiative, or meet other organizational needs.

Note 12. Commitments and Contingencies

The Organization uses warehouse space, television towers, and related technical facilities under noncancelable operating leases that expire at various dates through 2022. Selected leases contain escalation clauses to cover increased operating expenses borne by the lessor.

Additionally, the Organization generates rental income from office space and transmission facilities under noncancelable leases that expire at various dates through 2022.

Minimum future lease payments and receipts are as follows:

	Lease Payments	Lease Receipts
Years ending June 30:		
2020	$ 361,280	$ 268,973
2021	17,492	279,732
2022	1,458	290,922
	$ 380,230	$ 839,627

Total lease expense was approximately $433,000 and $500,000 for the years ended June 30, 2019 and 2018, respectively. Total lease income was $624,125 and $661,138 for years ended June 30, 2019 and 2018, respectively.

Contingencies: The federal funding that supports public broadcasting may decline in the future as part of on-going deficit reduction efforts of Congress. It is not possible to estimate the probability of funding cuts, the amount or the timing of any federal funding cuts, or the effect that any cuts might have on the Organization. The impact on the Organization will depend on how the particular federally-funded programs that benefit the Organization are affected, and how the public broadcasting system overall is affected.

Note 12. Commitments and Contingencies (Continued)

All direct expenses and indirect rates charged under the Organization's government grants are subject to audit by a government agency. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits, since management believes that the Organization is in compliance with all grant restrictions, and the amount of such liabilities, if any, cannot be determined.

The total of direct federal funding and funding from the Corporation for Public Broadcasting, which receives a direct Congressional appropriation, was approximately $22 million and $26 million in fiscal years 2019 and 2018, respectively, which is approximately 23% of total support for fiscal year 2019 and 2018.

From time to time, the Organization may be subject to various legal proceedings, which are incidental to the ordinary course of business. In the opinion of the management of the Organization, there are no material pending legal proceedings against the Organization.

Note 13. Gift Annuity Program

As of June 30, 2019 and 2018, the Organization's obligation for annuity payments totaled $229,040 and $299,338, respectively. This obligation is funded by a gift annuity reserve fund managed by Wells Fargo. As of June 30, 2019 and 2018, the fair market value of assets held within the reserve fund totaled $713,481 and $586,979, respectively. The fair market value of such assets exceeds the obligation for annuity payments by $484,441 and $287,641, respectively.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Schedule I – Supplemental Schedules of Support and Gains
Years Ended June 30, 2019 and 2018

	2019	2018
Consolidated schedule of revenues and gains:		
Federal government	**$ 4,270,358**	$ 2,661,609
Corporation for Public Broadcasting – CSGs	**6,856,433**	8,636,020
Corporation for Public Broadcasting – other	**14,746,837**	18,664,398
Public Broadcasting Service	**6,622,413**	7,822,275
Other public broadcasting stations	**300,000**	200,000
Local government sources	**-**	325,000
State government sources	**799,000**	1,002,000
Private colleges and universities	**75,000**	-
Foundations and nonprofit organizations	**35,618,469**	31,354,895
Business and industry	**22,063,397**	12,325,220
Membership and individuals	**23,168,121**	23,845,164
Investment return	**1,608,323**	1,317,573
Royalties	**535,833**	624,621
Loss on disposal of property and equipment	**(22,783)**	(1,578)
In-kind contributions	**99,358**	102,524
Endowment contributions	**-**	100,000
Endowment investment return	**1,709,554**	1,819,230
Rental income and other	**986,918**	944,117
Total revenues and gains	**$ 119,437,231**	$ 111,743,068
Reported in the consolidated statements of activities as:		
Total revenues and other support without donor restrictions	**$ 97,300,095**	$ 115,667,545
Net assets released from restrictions	**(71,121,192)**	(89,057,358)
Net investment return	**1,608,323**	1,317,573
Loss on disposal of property and equipment	**(22,783)**	(1,578)
Endowment contributions	**-**	100,000
Endowment investment return	**1,709,554**	1,819,230
Television production and other restricted contributions	**89,963,234**	81,897,656
Total revenues and gains	**$ 119,437,231**	$ 111,743,068

This schedule reconciles the GAAP-basis support reported in audited consolidated financial statements to the total support reported to the Corporation for Public Broadcasting (CPB) in the Annual Financial Report (AFR). The AFR is prepared according to CPB's rules, which do not differentiate among net assets without donor restrictions and net assets with donor restrictions revenue in the manner required by GAAP accounting.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Schedule II – Supplemental Statement of Activities by Grantee
Year Ended June 30, 2019

	WETA-TV	WETA-Radio	Total
Changes in net assets without donor restrictions:			
Revenues and other support, including amounts released from restrictions:			
Production funding from public broadcasting system	$ 23,053,344	$ 163	$ 23,053,507
Corporate underwriting and funding	14,303,352	769,432	15,072,784
Membership and individual contributions	18,871,590	4,627,610	23,499,200
Foundations and nonprofit organizations	22,836,580	116,896	22,953,476
Federal, state and local government grants	3,023,398	-	3,023,398
Community service grants from the Corporation for Public Broadcasting	7,035,900	328,748	7,364,648
Rental income and other	1,472,982	860,100	2,333,082
Total revenues and other support without donor restrictions	90,597,146	6,702,949	97,300,095
Expenses:			
National programming and productions	60,574,745	-	60,574,745
Television broadcast operations	12,118,889	-	12,118,889
Radio broadcast operations	-	2,689,457	2,689,457
Promotion, education and outreach	4,879,224	1,297,009	6,176,233
Fundraising and membership development	6,161,812	1,637,950	7,799,762
Underwriting and grant solicitation	3,067,309	815,361	3,882,670
Management and general	1,318,317	350,439	1,668,756
Total expenses	88,120,296	6,790,216	94,910,512
Change in net assets without donor restrictions before other changes	2,476,850	(87,267)	2,389,583
Other changes:			
Net investment return	1,270,576	337,747	1,608,323
Loss on disposal of property	(18,212)	(4,571)	(22,783)
Depreciation and amortization	(1,742,417)	(351,227)	(2,093,644)
Interest expense	(56,746)	(15,085)	(71,831)
Property tax expense	(404,222)	(89,394)	(493,616)
Other Non-Operating income	2,239	595	2,834
Total other changes	(948,782)	(121,935)	(1,070,717)
Total change in net assets without donor restrictions	1,528,068	(209,202)	1,318,866
Changes in net assets with donor restrictions:			
Television production and other restricted contributions	89,706,162	257,072	89,963,234
Endowment investment return	1,350,548	359,006	1,709,554
Endowment distributions	(417,598)	(14,248)	(431,846)
Net assets released from restrictions	(70,778,036)	(343,156)	(71,121,192)
Total change in net assets with donor restrictions	19,861,076	258,674	20,119,750
Total change in net assets	$ 21,389,144	$ 49,472	$ 21,438,616